

**Extendicare REIT's U.S. Subsidiary Receives Subpoenas for Information
from the United States Department of Health and Human Services**

MARKHAM, ONTARIO – Extendicare Real Estate Investment Trust (“Extendicare REIT” or the “REIT”) (TSX: EXE.UN) announced that its U.S. subsidiary, Extendicare Health Services, Inc. (EHSI), which manages the REIT's U.S. business operations, has received subpoenas from the U.S. Department of Health and Human Services (DHHS), Office of the Inspector General, relating to an investigation into the possible submission of claims that may be in violation of the U.S. Social Security Act and requesting documentation relative to the general operations of eight skilled nursing centers located in eight of the twelve U.S. states in which EHSI operates covering a period from January 1, 2007 to January 1, 2010.

As previously disclosed in the REIT's public filings, the provision of health care services in the United States is subject to complex laws and regulations at the federal and state government levels, including laws that are intended to prevent health care fraud and abuse. EHSI is subject to audits and investigations by various federal and state government authorities. Recently adopted U.S. health care reform legislation is calling for more government oversight of the long-term care industry and operators are experiencing an increase in government investigations, audits and scrutiny of their operations.

EHSI is not aware of any improper claims and intends to furnish all requested information and to co-operate with the DHHS in its investigation. EHSI and its subsidiaries believe that they are in material compliance with the requirements imposed on them by the U.S. Social Security Act.

About Us

Extendicare REIT is a leading North American provider of long-term and short-term senior care services through its network of owned and operated health care centers. We employ 38,000 qualified and experienced individuals dedicated to helping people live better through a commitment to quality service that includes post-acute care, rehabilitative therapies and home health care services. Our 258 senior care centers in North America have capacity for approximately 28,800 residents. Extendicare REIT is a specified investment flow-through trust (SIFT) that has been subject to the SIFT tax since January 1, 2007.

Forward-looking Statements

Information provided by Extendicare REIT from time to time, including this release, contains or may contain forward-looking statements concerning anticipated financial events, results, circumstances, economic performance or expectations with respect to the REIT and its subsidiaries, including its business operations, business strategy, and financial condition. Forward-looking statements can be identified because they generally contain the words “expect”, “intend”, “anticipate”, “believe”, “estimate”, “project”, “plan” or “objective” or other similar expressions or the negative thereof. Forward-looking statements reflect management's beliefs and assumptions and are based on information currently available, and the REIT assumes no obligation to update or revise any forward-looking statement, except as required by applicable securities laws. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the REIT to differ materially from those expressed or implied in the statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on the REIT's forward-looking statements. Further information can be found in the disclosure documents filed by Extendicare REIT with the securities regulatory authorities, available at www.sedar.com and on the REIT's website at www.extendicare.com.

For further information, contact:

Douglas J. Harris
Senior Vice President and Chief Financial Officer
Phone: (414) 908-8855; Fax: (905) 470-4003
Email: djharris@extendicare.com

Visit Extendicare's Website at www.extendicare.com