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**EUROPEAN COMMERCIAL REAL ESTATE INVESTMENT TRUST
ANNOUNCES CLOSING OF ACQUISITION IN GERMANY**

Toronto, Ontario (May 11, 2017) European Commercial Real Estate Investment Trust (together with its subsidiaries, as the context may require, “**EC-REIT**” or the “**REIT**”) (TSXV: ERE.UN) is pleased to announce that it has closed its acquisition of an office property located in Landshut, Germany, part of the greater Munich metropolitan region, for approximately €30.2 million (the “**Acquisition Property**”), as previously announced on March 22, 2017.

The Acquisition Property is an approximately 172,900 square foot (16,000 square meters) office property that is wholly leased to a subsidiary of E.ON SE, a Global 500 company with an investment grade credit rating, and is well served by a comprehensive road and public transportation network. The Acquisition Property comprises two building complexes erected between 2002 and 2012. The contractual lease has a weighted average lease term greater than 8 years.

The acquisition was financed, in part, with proceeds from a recently completed public offering and private placement. The remainder of the purchase price was financed via a 7-year secured mortgage provided by HSH Nordbank, a commercial bank headquartered in Germany.

Phillip Burns, Chief Executive Officer of EC-REIT, stated, “Following soon after completion of our recent capital raise, we are very pleased to close this transaction and further demonstrate EC-REIT’s ability to execute our strategy. Europe continues to be a supportive environment in which to deliver value for our investors, and this is evidenced by our active and robust pipeline of further potential transactions.”

About European Commercial Real Estate Investment Trust

EC-REIT’s business is investment in and management of commercial properties within Europe. EC-REIT’s strategy is to aggregate a bespoke portfolio of high-quality, non-prime, core assets in key European markets designed primarily to deliver long-term, secure income with additional potential for capital appreciation.

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release include, but are not limited to, the ability of EC-REIT to implement its strategy and business objectives, develop its pipeline and execute transactions. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although EC-REIT believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except

as required by law, EC-REIT disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

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