

FOR IMMEDIATE RELEASE

LifeHOUSE Retirement Properties, Inc. Completes the Sale and Recapitalization of the Corporation's Communities

LOS ANGELES, Dec 4, 2008 – *LifeHOUSE Retirement Properties, Inc.* (LHRP.PK, the “Seller” or the “Corporation”) said today that it has completed the sale of substantially all of its assets to a newly formed entity, *LifeHOUSE Holdings, LLC* (“*LifeHOUSE*”, the “Buyer” or the “Company”), an affiliate of Westport Capital Partners LLC (“Westport”). The transaction was approved by the Seller’s Board of Directors on September 12, 2008, and by a vote of more than a super-majority of the Seller’s shareholders, as of October 5, 2008.

LifeHOUSE senior executives will continue to operate the Company (or Buyer entity), and substantially all of the employees of the various communities will remain in place. Rowan Farber, Chief Executive Officer of *LifeHOUSE*, stated, “We are excited to be working with the principals at Westport. They are very supportive of the *LifeHOUSE* mission of delivering our unique patient-centered model of care. The recapitalization of our Company significantly reduces our financial leverage and creates a much stronger corporation that will continue to focus on our core strategy of delivering value-added services and support to our residents and employees. We are striving to create a new benchmark for quality-care in this industry as we become the center for quality, excellence and learning.” This initiative will be supported by additional renovation capital that will be provided by Westport and other sources to further enhance life-enrichment programs at *LifeHOUSE* communities.

LifeHOUSE concentrates on delivering premier traditional and alternative services and products to its residents, with an emphasis on an “aging in place” quality and continuum of care. The recapitalization is the next step in implementing the Company’s mission and philosophy as it positions itself in the marketplace and extends its brand to new acquisitions. The *LifeHOUSE* approach will help advance the quality commitment and create a learning environment to effect continuous performance improvement in clinical processes to better meet the needs of our residents. The Company will continue to strive for a holistic environment which provides independence, dignity, and choice in a resident-centered, employee-focused environment.

After the completion of the transaction, which was principally structured as an asset purchase, the Seller will no longer have any operations and will wind up its affairs.

The reorganized Company, under the control of Westport, will be focused on strategic acquisitions of senior assisted & independent living and skilled nursing communities in the U.S. The Company’s platform provides a strong acquisition and operating team with significant experience in healthcare, mergers & acquisitions, hospitality, real estate and construction. The Company is particularly effective in turnaround operations of under-performing properties or entire business units. The Company has approximately 2,386

beds (1,580 skilled nursing beds and 806 assisted and independent living units) and over 2,000 full-time equivalent employees. For more information, please visit our website: www.lifehouseproperties.com.

About Westport Capital Partners LLC

Westport is a real estate investment firm providing domestic and international investment opportunities to institutional and private clients. Headquartered in Westport, CT, the firm also has offices in Los Angeles and Mumbai, India. Westport invests in real estate through direct and indirect property ownership, and through public and private real estate securities and financial instruments. In the healthcare space, Westport seeks to invest in markets with strong operating dynamics and where value can be created through asset recapitalization, active management and asset repositioning.

Forward-Looking Statements:

The information contained herein should not be construed as a recommendation to purchase any securities. Statements in this news release concerning the Corporation's business outlook or future economic performance, anticipated profitability, revenues, expenses, or other financial items; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those contained in such statements. Such risks, uncertainties, and factors include, but are not limited to, future capital needs, changes and delays in development plans and schedules, acquisition risks, licensing risks, business conditions, competition, changes in interest rates, our ability to manage our expenses, market factors that could affect the value of our properties, the risks of downturns in general economic conditions, availability of financing for development and acquisitions. The Corporation assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events. Investments in small cap companies are generally deemed to be highly speculative and to involve substantial risk, making it appropriate for readers to consult with professional investment advisors and to make independent investigations before acting on the information. Any investment in small cap companies could prove to be high risk investments with the result in the loss of part, or the total principal investment.

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