

CALLOWAY

REAL ESTATE INVESTMENT TRUST

700 Applewood Crescent, Suite 200
Vaughan, ON L4K 5X3
Tel: 905-326-6400 Fax: 905-326-0783

CALLOWAY REAL ESTATE INVESTMENT TRUST ANNOUNCES \$100 MILLION SERIES E SENIOR UNSECURED DEBENTURE ISSUE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES WIRE SERVICES

Toronto, Ontario (June 1, 2010) - Calloway Real Estate Investment Trust ("Calloway") (TSX:CWT.UN), announced today that it has agreed to issue \$100 million principal amount of Series E senior unsecured debentures on an agency deal basis. These debentures will carry a coupon rate of 5.10% and will mature on June 4, 2015. The issue is being offered by a syndicate of agents led by CIBC.

Closing of the offering is expected on or about June 4, 2010. Calloway intends to use the net proceeds from the offering to pay down debt and for general trust purposes. Dominion Bond Rating Service has provided Calloway with a provisional credit rating of BBB with a stable trend relating to the debentures.

This offering is being made by way of a Prospectus Supplement to Calloway's existing \$2 billion base shelf short form prospectus filed with Canadian securities regulatory authorities. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The debentures being offered have not been and will not be registered under the U.S. Securities Act of 1933 and state securities laws. Accordingly, the debentures may not be offered or sold to U.S. persons except pursuant to applicable exemptions from registration requirements.

About Calloway

Calloway Real Estate Investment Trust is an unincorporated open-end real estate investment trust created to invest in a geographically diversified portfolio of high quality retail shopping centres in Canada.

For more information, please contact:

Simon Nyilassy
President and Chief Executive Officer
Calloway Real Estate Investment Trust
(905) 326-6400 ext. 7649

or

Bart Munn
Chief Financial Officer
Calloway Real Estate Investment Trust
(905) 326-6400 ext. 7631

