

CALLOWAY

REAL ESTATE INVESTMENT TRUST

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CALLOWAY REAL ESTATE INVESTMENT TRUST ANNOUNCES ISSUANCE OF \$130 MILLION OF TRUST UNITS

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

Toronto, Ontario (July 26, 2010) - Calloway Real Estate Investment Trust ("Calloway") (TSX:CWT.UN) announced that it has entered into an agreement to sell, to a syndicate of underwriters co-led by CIBC, RBC Capital Markets and BMO Capital Markets, on a bought deal basis, 6,000,000 trust units ("Trust Units") at a price of \$21.60 per Trust Unit to raise, in aggregate, gross proceeds of approximately \$130 million. Closing is expected to occur on or about August 5, 2010, subject to regulatory approval. In addition, Calloway has granted the underwriters an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part at any time until 30 days after closing, to purchase up to an additional 900,000 Trust Units at the same offering price.

The net proceeds from the offering will be used by Calloway for acquisition opportunities, repaying indebtedness, satisfying pipeline obligations and general trust purposes.

This offering is being made by way of prospectus supplement to Calloway's existing short form base shelf prospectus dated October 9, 2009. The prospectus supplement will be filed in all provinces of Canada.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction. The Trust Units 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.

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.

The Toronto Stock Exchange neither approves nor disapproves of the contents of this Press Release.

For more information, please contact:

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