

CALLOWAY

REAL ESTATE INVESTMENT TRUST

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CALLOWAY REAL ESTATE INVESTMENT TRUST REDEEMS 4.51% SERIES A DEBENTURES AND 6.00% CONVERTIBLE DEBENTURES

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Toronto, Ontario (July 7, 2010) - Calloway Real Estate Investment Trust ("Calloway") (TSX:CWT.UN, CWT.DB, CWT.DB.A and CWT.DB.B) announces that it has redeemed all of its outstanding 4.51% Series A Debentures (the "**4.51% Debentures**") and all of its outstanding 6.00% Convertible Unsecured Subordinated Debentures (the "**6.00% Debentures**").

4.51% Series A Debentures

Calloway redeemed \$46,452,000 aggregate principal amount of the 4.51% Debentures. The redemption price of \$1,020.978 for each \$1,000 principal amount of 4.51% Debentures will be payable upon presentation and surrender of the 4.51% Debentures called for redemption at the corporate trust office of Computershare Trust Company of Canada, 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1, attention: Manager, Corporate Trust Services.

6.00% Convertible Unsecured Subordinated Debentures

Of the \$4,303,000 aggregate principal amount of the 6% Debentures, \$3,916,000 have been converted into 230,350 Units of Calloway pursuant to the conversion options attached to the debentures, with the balance redeemed in cash. The redemption price of \$1,001.151 for each remaining \$1,000 principal amount of 6.00% Debentures will be payable upon presentation and surrender of the 6.00% Debentures called for redemption at the above-mentioned corporate trust office of Computershare Trust Company of Canada.

About Calloway

Calloway Real Estate Investment Trust is an unincorporated open-end real estate investment trust focused on the ownership and development of high quality retail properties.

The TSX neither approves nor disapproves of the contents of this Press Release.

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