

CALLOWAY

REAL ESTATE INVESTMENT TRUST

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

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

Toronto, Ontario (June 7, 2010) - Calloway Real Estate Investment Trust ("Calloway") (TSX:CWT.UN, CWT.DB, CWT.DB.A and CWT.DB.B) announces that it has given notice of its intention to exercise its right to redeem 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

The redemption date for the 4.51% Debentures will be July 7, 2010 (the "**4.51% Debenture Redemption Date**"). The redemption price of \$1020.978 for each \$1,000 principal amount of 4.51% Debentures, being equal to the aggregate of (i) Canada Yield Price for such debentures, and (ii) all accrued and unpaid interest thereon to the 4.51% Debenture Redemption Date, will be paid in cash on the 4.51% Debenture Redemption Date. The redemption price for the 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: Manger, Corporate Trust Services. There is currently \$46,452,000 aggregate principal amount of 4.51% Debentures outstanding.

6.00% Convertible Unsecured Subordinated Debentures

The redemption date for the 6.00% Debentures will be July 7, 2010 (the "**6.00% Debenture Redemption Date**"). The redemption price will be \$1,001.151 for each \$1,000 principal amount of 6.00% Debentures, being equal to the aggregate of (i) \$1,000, and (ii) all accrued and unpaid interest thereon to but excluding the 6.00% Debenture Redemption Date, will be paid in cash on the 6.00% Debenture Redemption Date. The redemption price for the 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. There is currently \$4,303,000 aggregate principal amount of 6.00% Debentures outstanding.

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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