

Press Release - For Immediate Release

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Whiterock REIT Announces Convertible Debenture Refinancing

Thursday, August 3, 2006

TSX - WRK.UN

TORONTO, August 3, 2006/CNW/ - Whiterock Real Estate Investment Trust ("Whiterock"), announced today the issuance of \$10 million of 7.5% Redeemable Subordinated Convertible Debentures (the "Series D Debentures") to fund the redemption of all of Whiterock's 9% Redeemable Subordinated Series B Convertible Debentures (the "Series B Debentures") plus all applicable redemption premiums and accrued interest and for general business purposes. This accretive refinancing results in reduced interest payments, an extension of term and an increase in conversion price.

Whiterock has entered into an agreement for a private placement of the Series D Debentures with an affiliate of Kimco Realty Corporation, with interest payable semi-annually and maturing on July 31, 2011. The Series D Debentures are convertible at the request of the holder after July 31, 2007, subject to certain terms and conditions, at a conversion price per unit of \$3.75 (the "Conversion Price"). The Series D Debentures are redeemable at the option of Whiterock at the principal amount, subject to certain terms and conditions, from July 31, 2009 to July 15, 2010 provided that the 20 day weighted average trading price of Whiterock's Units on the TSX exceeds 125% of the Conversion Price. From July 15, 2010 onward, the Series D Debentures will be redeemable at their principal amount. The Series D Debentures are expected to be issued on or about August 14, 2006 and will rank pari passu with the Series A and Series C Convertible Debentures previously issued by Whiterock.

As at August 2, 2006, \$8.1 million principal amount of Series B Debentures remained outstanding. The Series B Debentures have been called for redemption on August 16, 2006.

These transactions are subject to TSX approval and the completion of definitive documentation.

Reinvestment Program

Whiterock's Distribution Reinvestment Plan allows Unitholders to purchase additional Units using their distributions, without brokerage fees, at 96% of the weighted average trading price for the ten days immediately preceding a distribution payment date. The enrolment form and further details are available at www.whiterockreit.ca/drip.html.

About Whiterock

Whiterock is a TSX listed growth oriented REIT focused on increasing Unitholder value through the strategic acquisition, ownership and management of well-located, long-term leased office, industrial and retail properties in select markets across Canada. Since its formation as a Trust on June 28, 2005, Whiterock has acquired or announced it is acquiring properties totaling over 2.4 million square feet with a value on acquisition of approximately \$275 million.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or

variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Whiterock is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Whiterock to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. A full description of these risk factors can be found in Whiterock’s Annual Information Form dated April 26, 2006 which can be found at www.sedar.com. Whiterock cannot assure investors that actual results will be consistent with these forward looking statements and Whiterock assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For further information: www.whiterockreit.ca

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