

Press Release - For Immediate Release

WHITEROCK REIT PROVIDES UPDATE ON MANAGEMENT INTERNALIZATION

TORONTO, December 12 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock") today announced that it has issued, through its subsidiary Whiterock Limited Partnership ("Whiterock LP") 286,671 LP Class C Units to a company controlled by Jason Underwood, Chief Executive Officer and Paul Simcox, President in connection with the previously announced acquisition of the Asset Management and Management Services Agreements (the "Agreements").

By their terms, the LP Class C Units will be automatically converted into LP Class B Units of Whiterock LP on a one-for-one basis in the event approval is received at the upcoming special meeting of Unitholders scheduled for December 28, 2006. The LP Class B Units are exchangeable on a one-for-one basis into publicly traded units of Whiterock. In the event that Unitholder approval is not received, Whiterock LP intends to redeem the LP Class C Units for \$3.5 million in cash and, in such event, no Whiterock Units shall be issued.

Until redeemed or converted (which will occur on or before December 29, 2006), the holder of LP Class C Units shall be entitled to receive the same distributions as otherwise payable on Whiterock Units in lieu of the higher management fees previously payable under the Agreements.

Whiterock has filed an amended and restated Limited Partnership Agreement dated December 12, 2006 containing the detailed terms of the LP Class C Units on www.sedar.com.

About Whiterock

Whiterock is a TSX listed rapidly expanding, growth oriented real estate investment trust 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 the acquisition of properties totaling approximately 3.1 million square feet with a gross book value of approximately \$382 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. Forward-looking statements include, but are not limited to, statements with respect to financial performance, sale-leaseback opportunities, proposed acquisitions and equity offerings, new markets for growth, financial position, comparable commercial REITs and proposed acquisitions. 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".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Whiterock to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for Whiterock's securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by Whiterock, lease maturities, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding Whiterock

securities, lack of availability of growth opportunities, diversification, reliance on anchor or single tenant properties, potential Unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the market price of Whiterock's units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled "Risk Factors" in Whiterock's Annual Information Form dated April 26, 2006, which can be obtained at www.sedar.com.

On October 31, 2006, the Minister of Finance (Canada) announced proposed changes to the taxation of income trusts for Canadian federal income tax purposes (the "SIFT Proposals"). Draft legislation giving effect to the SIFT Proposals contain a specific exemption from the proposed tax for certain REITs and outlines the requirements a REIT would have to meet in order to be eligible for the exemption. Whiterock will continue to assess the potential impact, if any, of the SIFT Proposals on its business and on its proposed management internalization. If necessary, Whiterock will consider alternative measures, provided that they are in the best interests of Whiterock and its Unitholders, in order to qualify as an exempt REIT under the SIFT Proposals based on the legislation as finally enacted.

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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Source: Whiterock Real Estate Investment Trust