

Whiterock REIT Provides Update Concerning its Sale/Merger Process and Portfolio Performance

TORONTO, June 29 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock" or the "Trust") (TSX:WRK.UN) today provided an update on its process to solicit proposals to acquire or merge with the Trust, previously announced on January 16, 2007.

UPDATE ON PROCESS TO SOLICIT ACQUISITION OR MERGER PROPOSALS

Whiterock continues to review all strategic alternatives, including the ongoing operations of its business platform or a sale or merger of the Trust. In the process of reviewing its strategic alternatives, the Trustees of Whiterock, through a Special Committee, have sought interest over the past six months from a wide variety of parties regarding a proposed acquisition or merger of the Trust.

Today the Trust announced Oz Pedde, the Chairman of the Governance and Compensation Committee, was unanimously appointed to the Special Committee as a non-voting member.

Whiterock intends to continue discussions with interested parties relating to potential offers for the acquisition or merger of the Trust. There can be no assurance that the continuation of the process will result in a satisfactory binding sale or merger offer being made for the Trust. The Trustees may ultimately determine that its current business plan or the adoption of a strategic alternative other than the sale or merger of the Trust is the best means to build and deliver unitholder value.

UPDATE ON PORTFOLIO PERFORMANCE

The performance of the existing portfolio has continued to improve. Management expects that the pro forma run rate AFFO per outstanding Unit will exceed the current annualized distribution of \$1.12 in the near term as a direct result of the following events that are largely within management's control:

- Revenue coming on line from new leases and renewals, the majority of which are already executed, at 655 Bay Street in Toronto and industrial properties in Regina
- Re-investment of \$14 million of available cash
- Income from operating efficiencies, including property management of select assets and G&A savings

Contractual rental increases from in-place leases and under-market lease renewals are expected to add an additional 3% to 4% of AFFO growth in each of 2008 and 2009. In addition, there are AFFO growth opportunities through further property self-management and accretive acquisitions.

Further, Whiterock has proven that it has a successful business platform with a portfolio of high quality assets and investment grade tenants, matched with long term fixed-rate debt, and established relationships in select markets across Canada.

A detailed Management Presentation will be available on the Trust's website at www.whiterockreit.ca

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 or debt 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, which can be obtained at www.sedar.com.

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