

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS SECOND QUARTER 2014 RESULTS

Calgary – August 27, 2014: Walton Westphalia Development Corporation (the “**Corporation**”) announced today its results for the second quarter of 2014.

“We continue to be encouraged with the attention our development project is receiving from the business community,” said Bill Doherty, Chairman of the Corporation. “On the construction side the weather has been improving allowing steady progress with our Phase 1 activities. Approximately two-thirds of the rough grading has been completed and sewer installation is underway. We expect to be delivering lots to builders by the end of 2014. The market for single-family homes is strong with revenues from the sale of single-family lots above our original expectations and there is significant interest in the retail portion of our project including prospective grocery anchor tenants.”

Highlights for the Second Quarter of 2014

- The Umbrella Architecture Detailed Site Plan, allowing builders to directly apply for building permits without the need for a further detailed site plan for their specific building architecture, received Certificate Approval in June from The Maryland-National Capital Park and Planning Commission (“**M-NCPPC**”); and
- The Corporation received its Executed Limited Access, Right of Entry, Construction and Maintenance Agreement in June from M-NCPPC for the construction of the sewer outfall on the Commission’s property. The Corporation provided a bond in the amount of USD \$90,000 which will be used as a construction guaranty for restoration of the work area.

Subsequently, on July 17, 2014, the Corporation received a permit to relocate its 30-inch waterline under the proposed Woodyard Road extension. The extension of Woodyard Road will provide access to the townhomes proposed for the development. The Corporation provided Washington Suburban Sanitary Commission (“**WSSC**”) with two bonds totaling USD \$1,946,996 which will be used as construction guarantees and will be replaced by a maintenance bond once WSSC is satisfied with the work requirements.

Management continues to actively market the Property, but anticipates office revenue to be delayed for two years due to market conditions. As a result, management will also delay off-site improvements that are required for the commercial space. Furthermore, the project’s net rentable area for retail tenants will be reduced, due to a number of factors, including parking requirements for a major grocer and anchor tenant.

As a result of construction delays caused by the wettest winter in a decade, downward revenue revisions for the retail and hotel sites, the extension of the estimated sale dates for the office sites, high office vacancy rates and the impact of the U.S. Government’s budget sequestration on the market, the time frame for completing the project is anticipated to exceed the seven-year horizon and the projected internal rate of return is expected to be revised downwards, from that disclosed in the Prospectus. However, management has determined that there has not been a significant impact on the net realizable value of the property and no provision is required.

Management is exploring strategies to maximize the financial returns of the project. In this regard, management will report to investors no later than the release of the Q3 2014 financial results once the strategies have been implemented and their impacts, if any, are quantified.

Second Quarter Financial Results

During the three months ended June 30, 2014, the Corporation recognized interest income of \$1,326, other expenses of \$215,141, other items of \$701,001, for a net loss before tax of \$914,816, deferred tax recovery of \$314,836, and a comprehensive loss of \$979,420. Comprehensive income decreased due to the weakening of the U.S. dollar in comparison to the Canadian dollar. This resulted in a translation loss recognized in other comprehensive income.

Additional Information

The Corporation is managed by Walton Asset Management L.P. and the development of the property is managed by Walton Development & Management (USA), Inc., both of which are members of the Walton Group of Companies.

The Walton Group of Companies ("**Walton**") is a family-owned, multinational real estate investment, planning, and development group concentrating on the research, acquisition, administration, planning and development of strategically located land in major North American growth corridors.

Walton has been in business for over 30 years and takes a long-term approach to land planning and development. Walton's industry-leading expertise in real estate investment, land planning and development uniquely positions Walton to responsibly transition land into sustainable communities where people live, work and play.

Its communities are comprehensively designed in collaboration with local residents for the benefit of community stakeholders. Its goal is to build communities that will stand the test of time: hometowns for present and future generations.

For more information about Walton Westphalia Development Corporation, please visit www.sedar.com. For more information about Walton, visit www.Walton.com.

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Except as otherwise noted, all amounts are in Canadian dollars, and are based on unaudited financial statements for the three months ended June 30, 2014, and related notes, prepared in accordance with International Financial Reporting Standards.