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WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS THIRD QUARTER 2014 RESULTS

Calgary – December 1, 2014: Walton Westphalia Development Corporation (the **"Corporation"**) announced today its results for the third quarter of 2014. Launched in March 2012, the Corporation was formed to provide investors with the opportunity to participate in the acquisition and development of the 310-acre Westphalia Property (the "**Property**") located in Prince George's County, Maryland, United States.

During the third quarter of 2014, the main priority of the Corporation was to continue construction, prepare the additional submissions necessary to receive the remaining approvals as described in the Corporation's February 2012 prospectus and initial private placement offering memorandum issued by the Corporation (collectively, the "**Offering Documents**"), and meet with county officials to coordinate and discuss plans for the project. The following key activities were undertaken by the Corporation during the third quarter:

- As previously reported, the Corporation received a permit to relocate its 30-inch waterline under the proposed Woodyard Road extension in July 2014. 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.

- Construction of the sanitary sewer outfall was completed and the construction on relocating the 30-inch water line commenced. Work on additional underground utilities installations, the box culvert undercut, site grading and the stone sub-base also occurred during the quarter.

- The Corporation's senior debt facility was amended on September 22, 2014 to extend the facility's date by which Sub-phase 1 must be completed to June 30, 2015, from August 31, 2014, due to the delays previously reported.

- Subdivision plans for the southern townhouse area were officially recorded in October 2014.

The current project schedule is behind key project milestones as outlined in the Offering Documents. The delay was due to the longer than anticipated time to obtain approvals and permits from Prince George's County, Maryland as well as weather delays. This has resulted in delaying the delivery of finished lots to the builders from the originally anticipated completion date of January 2014 to February 2015.

During 2013 and nine months ended September 30, 2014, greater cost certainty was obtained on the anticipated costs for developing Phase 1. However, the offsite improvement in Phase 1, the Woodyard Road interchange, is still being reviewed and redesigned to provide the most cost effective design. Excluding the redesign of the Woodyard Road interchange, the current budget for Phase 1 exceeds the original cost assumptions used by management in preparing the Offering Documents. As of September 30, 2014, the total forecasted increase in Phase 1 development costs, before financing and net of recoveries, is U.S. $3.6 million.

Due to weather delays and permit issues, the Phase 1 residential lot sales will be delayed until February 2015, however the revenues have increased 28% from that forecasted in the Offering Documents. Additionally based on current market conditions, the Phase 1 retail, hotel and multi-family sales have been delayed and the revenue has been revised downward.

The combined impact of these factors is a change in the timing and amount of cash distributions when compared to the original assumptions. As previously reported, delays in construction, 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 were expected to result in a downward revision to the internal rate of return ("**IRR**") from the projected 15% disclosed in the Offering Documents. Based on management's current information as at the end of Q3 2014, the currently forecasted IRR is 5.7%. This IRR is based on achieving certain revenue targets, maintaining construction schedules, the timely receipt of recoveries, third-party sales and commitments for additional lots from the builders. Further changes to the IRR projection could occur due to the changes in the aforementioned and other factors.

Management continues to focus on strategies to maximize the project returns which include, but are not limited to:

- Securing a grocery anchor for the retail site, which can increase the attractiveness for other future retail tenants to locate in the project, and positively impact retail values, lease rates, and project absorptions. Securing a grocery anchor tenant may also positively impact the sales momentum for other components of the project, including the townhome product and other future residential development by providing an important retail based service and community amenity.

- Engaging in discussions with commercial and residential developers to broaden the awareness of the project and explore sales and/or partnering opportunities to realize the highest and best use and associated value for the project.

- Evaluating project positioning and retail product opportunities to maximize usable retail space and project amenities to accelerate market demand.

- Continuing efforts to attract a major hotel chain to construct a hotel in the Westphalia site.

- Potentially retaining an office broker or consultant to assist with marketing the office site, and with a strategic focus related to locating future government office buildings in Westphalia.

Third Quarter Financial Results

During the three months ended September 30, 2014, the Corporation recognized interest income of $1,205 (September 30, 2013 - $1,580), expenses of $223,715 (September 30, 2013 - $210,274), other items of $1,001,114 (September 30, 2013 – ($452,464)), for a net income before tax of $778,604 (September 30, 2013 – net loss of $661,158), deferred tax expense of $344,394 (September 30, 2013 - $nil), and a comprehensive income of $990,947 (September 30, 2013 – comprehensive loss of $895,704). Comprehensive income increased due to the strengthening of the U.S. dollar in comparison to the Canadian dollar. This resulted in a translation gain recognized in other comprehensive income.

Additional Information

The Corporation is managed by Walton Asset Management L.P. and the development of the project 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 period ended September 30, 2014 and related notes, prepared in accordance with International Financial Reporting Standards.