

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION ANNOUNCES DECISION TO ISSUE INTEREST DEBENTURES FOR SECOND INTEREST PAYMENT ON DEBENTURES

Calgary – June 16, 2014: On June 16, 2014, the Board of Directors of Walton Westphalia Development Corporation (the “**Corporation**”) authorized the payment of the second interest payment owing on the Corporation’s 8% unsecured, subordinated, convertible, extendable debentures (“**Offering Debentures**”) to be effected through the issuance to the holders of the Offering Debentures, on a *pro rata* basis and on or before June 30, 2014, that principal amount of interest debentures (the “**Interest Debentures**”) that is equal to the amount of interest owing under the Offering Debentures, which is approximately \$1,206,868 as of March 30, 2014.

The Interest Debentures are 8% unsecured, subordinated, convertible, extendable debentures of the Corporation and have substantially the same terms as the Offering Debentures. The issuance of the Interest Debentures will be in accordance with the terms of the trust indenture governing the Offering Debentures which was disclosed in the Corporation’s February 27, 2012 prospectus.

The decision to settle the interest through the issuance of Interest Debentures was the result of a number of factors that resulted in unforeseen deviations from the original cash flow assumptions for the Corporation’s Westphalia land development project, including: (i) construction delays caused by the wettest winter in a decade; (ii) a delay in office revenue due to market conditions; (iii) downward revenue revisions for the retail and hotel sites caused by various factors, including a reduction in the project’s net rentable area for retail tenants due to, among other things, parking requirements; (iv) the requirement to pledge funds as security for a senior loan facility; and (v) the acceleration of certain construction costs from later phases into Phase 1. As a result of these deviations, it was felt it would be prudent to preserve cash at this time until better certainty of future cash flows can be determined.

In March of 2015, each investor will receive, by mail, a T5 from the Corporation’s transfer agent or the investor’s brokerage firm. The T5 will indicate the amount of interest that the Offering Debenture holder is required to report as a result of the issuance of the Interest Debentures.

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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