

For Immediate Release

WALTON WESTPHALIA DEVELOPMENT CORPORATION REPORTS SECOND QUARTER 2015 FISCAL RESULTS

Calgary – August 28, 2015: Walton Westphalia Development Corporation (the “**Corporation**”) announced today its results for the second quarter of 2015. 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 of America.

Second Quarter Highlights

During the second quarter of 2015, the following key activities were undertaken:

- Ryan Homes and Haverford Homes commenced their lot takedowns with the Corporation’s U.S. subsidiary, satisfying the conditions according to the respective builder purchase and sale agreements;
- Ryan Homes and Haverford Homes commenced construction of their model showhomes in April, and the homes are now framed with roofs;
- the Corporation’s U.S. subsidiary completed initial paving of the street in front of the model showhomes;
- site grading, utilities installation and culvert construction in Phase 1 continued during the quarter; and
- the Board of Directors visited the site in May to meet with members of the Westphalia management team and discuss the project.

At a special meeting held on July 31, 2015, the shareholders of the Corporation voted in favour of a resolution that the Corporation may undertake at the sole discretion of the Board of Directors and without further approval from the Shareholders, vertical development on all or any portions of the Property.

As previously disclosed, the Board of Directors have approved an action plan proposed by management to address a range of strategies to potentially improve the IRR projections in order to maximize returns. Under the action plan, management is undertaking the following initiatives and strategies:

1. Pursue the option of vertical development participations with development partners.
 - Management is having discussions with potential partners on the retail, multi-family, hotel and future phases of the residential portion of the development.
2. Accelerate the development of Phase 1A.
 - Management is pursuing mezzanine financing for soft costs, as well as having discussions with potential joint venture partners on this phase.
3. Pursue alternative less expensive financing strategies.
4. Pursue the re-planning of Phases 2 and 3, including for example a town centre re-design to realize on current market opportunities such as a senior living component and/or flex industrial with Phases 2 and 3.
 - Management is presently having a land planner provide concept plans.

Second Quarter Financial Results

During the three and six months ended June 30, 2015, the Corporation recognized revenue of \$1,183,930 (June 30, 2014 - \$nil) from lot sales related to single-family homes in Phase 1. The cost of sales relating to the lot sales was \$1,023,407 (June 30, 2014 - \$nil), resulting in a gross margin of \$160,523 (June 30, 2014 - \$nil).

Total other expenses increased by \$82,213 from \$424,004 to \$506,217 for the six-month period ended June 30, 2015. The increase in other expenses was primarily due to marketing expenses, which have increased in 2015 as the project is preparing for product launch later this year.

For the three-month period ended June 30, 2015, the Corporation had a comprehensive loss of \$479,678 which was a decrease of \$499,742 from the comprehensive income recorded for the three-month period ended June 30, 2014 of \$979,420. The decrease was primarily due to a reduction of foreign exchange losses of \$407,436 and a reduction in the loss on the interest rate cap of \$46,920.

For the six-month period ended June 30, 2015, the Corporation had a comprehensive gain of \$1,679,959, which was an increase of \$1,760,409 from the comprehensive loss of \$80,450 for the six-month period ended June 30, 2014. The increase was primarily due to an increase in foreign exchange gains of \$1,574,524 and cumulative translation gains of \$919,665, offset by an increase in deferred tax expenses of \$915,717.

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 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.

Email: GCanzonetta@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 and six months ended June 30, 2015 and related notes, prepared in accordance with International Financial Reporting Standards.

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