

FOR IMMEDIATE RELEASE

WESTFIELD REIT ANNOUNCES CLOSING OF JOHNSTON TERMINAL TRANSACTION

WINNIPEG, Manitoba (August 3, 2005): Westfield Real Estate Investment Trust (TSXV: WRT.UN) ("Westfield REIT") announced today that it has closed its previously announced transaction involving the entering into of a headsublease (the "Headsublease") with Johnston Terminal Ltd. ("JTL") with respect to the office/retail property commonly known as the "Johnston Terminal" located at 25 Forks Market Road at "The Forks" National Historic Site in Winnipeg, Manitoba (the "Johnston Terminal Transaction").

The Johnston Terminal Transaction was announced on October 21, 2004 and is described in Westfield REIT's information circular dated May 11, 2005 (the "Information Circular"). The transaction was approved by minority securityholders at the special meeting of Unitholders on June 10, 2005.

Westfield REIT has exercised its option to prepay the base rent under the Headsublease through the issuance of trust units and a 1 Year 7.25% Convertible Redeemable Debenture in the principal amount of \$875,000 on the terms described in the Information Circular. JTL also agreed to accept a one year non-convertible redeemable debenture (the "Interim Financing Debenture") at the same rate as the mortgage financing to be arranged by Westfield REIT in order to facilitate the closing of the Johnston Terminal Transaction. The Interim Financing Debenture will be repaid out of the proceeds of Westfield REIT's mortgage financing, which is expected to be obtained by September 30, 2005. The Interim Financing Debenture is not convertible, directly or indirectly, into equity or voting securities of Westfield REIT and is not repayable as to principal or interest, directly or indirectly, in equity or voting securities of Westfield REIT.

For further information please contact Mr. Armin Martens, President and Chief Executive Officer of Westfield REIT, or Mr. Jim Green, Chief Financial Officer of Westfield REIT at (204) 947-1200.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this press release.