

FOR IMMEDIATE RELEASE

WESTFIELD REIT ANNOUNCES PROPOSED JOHNSTON TERMINAL TRANSACTION

WINNIPEG, Manitoba (May 11, 2005): Westfield Real Estate Investment Trust (TSXV: WRT.UN) ("**Westfield REIT**") announces today that, subject to the satisfaction or waiver of a number of conditions, it has agreed to enter into a long-term headsublease (the "**Headsublease**") with Johnston Terminal Ltd. on behalf of certain beneficial holders (collectively, "**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**").

Under the Headsublease, Westfield REIT, as tenant, will lease the Johnston Terminal from JTL, as landlord. JTL holds a 99 year ground lease with respect to the Johnston Terminal which commenced on August 1, 1992. The Headsublease will be long-term and will expire on July 1, 2090, being the date that is one year from the date of the expiry of the Ground Lease. The Headsublease will enable Westfield REIT to sublease the retail and office space in the Johnston Terminal. Under the terms of the Headsublease, Westfield REIT has the right to prepay the base rent under the Headsublease and, in the event Westfield REIT exercises such prepayment right, it has agreed to pay portion of the prepayment through the issuance of trust units ("**Units**") of Westfield REIT at a deemed price of \$0.40 per Unit and a 1 Year 7.25% Convertible Redeemable Debenture which will be convertible into Units at a price of \$0.40 per Unit at the option of the holder. The details of the Johnston Terminal Transaction, including the terms of the Headsublease, will be set forth in the management information circular to be delivered to Unitholders in connection with the annual and special meeting of Unitholders on June 10, 2005 at which Unitholders will be asked to approve the Johnston Terminal Transaction.

JTL is majority owned and controlled by certain related parties of Armin Martens, President and Chief Executive Officer of Westfield REIT, and Cornelius Martens, Executive Vice-President of Westfield REIT. The Johnston Terminal Transaction is a "related party transaction" for the purposes of TSX Venture Exchange Policy 5.9 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions*. Accordingly, the Johnston Terminal Transaction is subject to the approval of Unitholders on a "majority of the minority basis" and the requirement to obtain an independent valuation which provides support for the consideration paid under the Headsublease.

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.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. There can be no assurance that the transactions will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the information circular to be prepared in connection with the meeting to be held to approve the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transactions and has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this press release.