



November 12, 2015
Halifax, Nova Scotia

KILLAM PROPERTIES INC. PROVIDES INFORMATION ON PROPOSED REIT CONVERSION

Killam Properties Inc. (TSX: KMP) ("Killam") is pleased to announce that on November 3, 2015, it received an interim order from the Ontario Superior Court of Justice (Commercial List) approving the special meeting of Killam shareholders to consider and approve the proposed plan of arrangement (the "**Arrangement**") to convert Killam from a corporation to a real estate investment trust ("**REIT**").

The special meeting of shareholders will be held at 11:00 a.m. (Halifax time) on December 8, 2015, at the Courtyard by Marriott, 5120 Salter Street, Halifax, Nova Scotia. Meeting materials, including an information circular, proxy form and letter of transmittal, have been mailed to shareholders. The information circular is available for viewing on SEDAR under Killam's profile and on Killam's website, at <https://www.killamproperties.com/investor-relations/reit-information>.

Under the terms of Arrangement, Killam shareholders will receive one unit of the REIT ("**REIT Unit**") for each Killam common share held, unless the shareholder is a qualifying shareholder and elects to receive exchangeable Class B limited partnership units ("**Exchangeable Units**") in a partnership controlled by the REIT in exchange for their common shares of Killam. The Exchangeable Units are intended to be economically equivalent to and exchangeable for REIT Units on a one-for-one basis, and will be accompanied by special voting units of the REIT that provide their holders with equivalent voting rights to holders of REIT Units. Qualifying shareholders considering electing to receive Exchangeable Units should refer to the information circular for important details and restrictions and be aware that the deadline for electing to transfer common shares to Exchangeable Units is December 3, 2015.

If approved by Killam shareholders, the Arrangement is expected to become effective on or about January 1, 2016.

For information, please contact:

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Cautionary Statement

Certain statements in this press release may constitute forward-looking statements including the intention to complete the Arrangement and the timing thereof; which are based on our expectations, estimates, forecast and projections, which we believe are reasonable as of the current date. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, the

ability of the REIT to satisfy the conditions necessary to complete the Arrangement, including the requirements of the Toronto Stock Exchange and shareholder and court approval, and the expected performance of the REIT following closing of the Arrangement. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, including the development of properties in close proximity to Killam's properties, competition, availability and cost of additional real estate properties, changes in government regulation, dependence on tenants' financial condition, interest rates, the availability of equity and debt financing, environmental matters, tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The factors identified above are not intended to represent a complete list of the factors that could affect Killam and the REIT. For more exhaustive information on these risks and uncertainties, you should refer to our most recently filed annual information form which is available at www.sedar.com. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made and should not be relied upon as of any other date. Other than as required by law, Killam does not undertake to update any of such forward-looking statements.