

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

**PARKWAY LIFE REIT TO INVEST IN HIGH QUALITY NURSING HOMES IN
JAPAN**

Signs agreements to invest in two nursing homes located in Yokohama City, Kanagawa Prefecture, and Ibaraki City, Osaka

Singapore, 27 May 2008 – Parkway Trust Management Limited (the “Manager”), the manager of Parkway Life Real Estate Investment Trust (“PREIT”), is pleased to announce that PREIT, through its wholly owned-subsiidiary, Parkway Life Japan2 Pte. Ltd. (the “SPV”), has executed agreements to participate as an investor in the acquisition of two nursing homes in Japan for a total cash consideration of ¥ 2,617,000,000 (approximately SGD34,893,300¹). Both investments are yield-accretive to PREIT.

PREIT will invest ¥1,440,000,000 (approximately SGD19,200,000¹) in relation to Bon Sejour Shin Yamashita (the “Yamashita facility”), located in Yokohama City, Kanagawa Prefecture and ¥1,177,000,000 (approximately SGD15,693,333¹) in relation to Bon Sejour Ibaraki (the “Ibaraki facility”), located in Ibaraki City, Osaka. The nursing homes are being acquired by two Japanese *Godo Kaisha* corporations, Del Monte GK and Urbino GK respectively, in each of which the SPV has made a *Tokumei Kumiai* investment.

The vendor of both properties is nursing home operator ZECS Community Co. Ltd (“ZCC”). Under the sale and leaseback agreements, ZCC will lease back 100% of the space at each property for 15 years, with an option to extend the leases for an additional five years. Zecs Co. Ltd, the parent company of ZCC, will act as

¹ All JPY ¥ references in this release are based on the exchange rate of SGD1 = ¥75

guarantor on the leases. In addition there is a back-up operator agreement with Japan Care Service Co., Ltd.

Rationale for the investments

“The demand for good quality nursing homes in Japan is expected to grow, as the population ages” said Ms Justine Wingrove, Chief Executive Officer of the Manager. “By the year 2050, it is estimated that one in three Japanese will be over 65 years of age. We like these investments as the underlying income streams are index-linked to inflation and, in addition, there are rent reviews every five years. The back-up operator agreement is very positive as it provides added certainty on the income streams.”

Ms Wingrove added, “ZCC is a leading nursing home developer and operator in Japan. Since 1997, ZCC has consistently developed high-quality nursing care and housing facilities targeted at Japanese seniors. We look forward to a long-term relationship with ZCC in respect of these two investments”

Demand for high quality nursing homes is expected to soar in a country where more than a quarter of all Japanese will be at least 65 years old by 2025. In 2006, the population of elderly citizens aged 65 years and above was 26.60 million, constituting 20.8 percent of the total population. Japan's population is also aging much faster than most countries around the world. In addition, Japan is experiencing a declining birth rate, with the percentage of Japanese aged below 14 years old shrinking since 1982. As a result, the percentage of elderly dependents continues to rise, intensifying the need for quality senior care facilities. (Statistics Bureau, Director-General for Policy Planning and Statistical Research and Training Institute, Ministry of Internal Affairs and Communications, Japan)

Expected investment returns

At a purchase price of ¥1,440,000,000 (approximately SGD19,200,000¹), the Yamashita facility has a net operating income yield of 6.1%. The freehold property has lettable area of approximately 3,272.95 sq m.

At a purchase price of ¥1,177,000,000 (approximately SGD15,693,333¹) the Ibaraki facility has a net operating income yield of 6.7%. The property is a long term leasehold interest with a lettable area of approximately 3,705.96 sq m.

For both properties, the rents are index-linked to Japanese inflation on an upwards only basis and in addition, the rent amounts may be revised by mutual agreement after five years from the lease commencement date and every five years thereafter.

Funding for the investments

PREIT expects to fund both investments by debt, which will increase the REIT's gearing from 8% to 11%. The investments are expected to be completed on 30 May 2008.

These are PREIT's second and third investments in Japan. It invested as a *Tokumei Kumiai* investor in a pharmaceutical warehousing and distribution facility located in Japan's Chiba prefecture in April 2008.

General description of the properties

The Yamashita facility comprises a five storey commercial nursing home in an attractive setting. It is situated adjacent to the Shin-Yamashita canal, on freehold land owned by ZCC. The facility has a gross floor area of approximately 3,272.95 sq m, with 74 lettable units in total.

The Ibaraki facility comprises a four storey commercial nursing home. The facility sits within a quiet residential district in north Osaka and is located beside the picturesque Expo Memorial Park, University of Osaka campus and the Ibaraki Country Club. The 3,705.96 sq m facility has 94 lettable units and is easily accessible by monorail.

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PREIT") is the largest healthcare REIT in Singapore by asset size. It was established to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and services).

As at 31 March 2008, PREIT owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital, and East Shore Hospital, covering an aggregate of 1,039 licensed beds. On 16 May 2008, PREIT completed its first investment in a pharmaceutical products manufacturing facility in Japan, which, increased the total investment portfolio size by S\$35 million to a total book value of S\$867 million.

Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, acting through its business group, UBS Investment Bank were the joint global co-ordinators, joint bookrunners and joint lead underwriters to the initial public offering of Parkway Life REIT.

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This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.