



Genesis Answers Smoothwater's Myths and Misguided Notions, Challenges Smoothwater to Make a Properly Disclosed Bid for Genesis

Shareholders Still Have Time to Vote the WHITE Proxy

August 13, 2013 – Calgary – the Special Committee of Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") responded to a release from Smoothwater Capital Corporation ("Smoothwater") today by exposing several myths and misguided notions circulated by the dissident shareholders over the past weeks.

Myth #1

Smoothwater has asserted that the dissident camp leads the proxy contest by "a wide margin", and that "an overwhelming number of shareholders" want the incumbent directors replaced.

FACT:

Smoothwater has not yet deposited a single dissident proxy to Genesis' transfer agent.

Smoothwater has no way to know how many votes the Management nominees have received. In fact based on our calculations, the proxy vote total is likely very close, perhaps within few percentage points – and neither side knows who is ahead.

Smoothwater's support comes largely from its own holdings, and those of Mark Mitchell – the brother of Smoothwater Chairman Garfield Mitchell. Conversely, the Management nominees have received support from a plurality of Genesis shareholders.

Myth #2

Smoothwater calls the delay of the annual meeting an attempt by the Board to "buy time".

FACT:

The delay of the meeting was necessary to allow us to seek direction from the Court of Queen's Bench of Alberta. Genesis has sought a court order against Smoothwater Capital, Liberty Street Capital, Garfield Mitchell, Mark Mitchell and Edwin Nordholm for alleged violations of the Alberta Securities Act.

The Special Committee believes that all shareholders should play by the same rules – even large shareholders like Smoothwater.

Myth #3

Smoothwater says "the Board did not Compromise".

FACT:

This is patently ridiculous and totally false. Three of the eight nominees on the Management proxy are dissident nominees, and a fourth, Iain Stewart, is an independent nominee recommended by a member of the dissident group. They were offered (and granted) proportional representation on the Board.

The fact of the matter is, Smoothwater wants control, and nothing less.

Myth #4

Smoothwater claims that Stephen Griggs is the only representative of Smoothwater on the board, and that each of the dissident nominees is "independent as defined by Canadian Securities Laws".

FACT:

Each of the dissident nominees with the exception of Iain Stewart are linked by familial, social and business ties as we have carefully documented. The Management nominees offer true independence, not Smoothwater's carefully worded definition of technical independence.

Myth #5

"No strategy seems to exist."

FACT:

It is Smoothwater who has failed to offer an alternative plan for shareholders. Two independent corporate governance advisory firms Institutional Shareholder Services and Glass Lewis & Co. in recommending shareholders vote for the

Management nominees – noted the dissidents’ lack of a strategic plan for Genesis.

A Challenge to Smoothwater – Make a Bid for Genesis.

Smoothwater wants to control your Board and Genesis, without paying a premium to all shareholders.

Our challenge to Smoothwater is simple, if you want to control Genesis, make a properly disclosed bid for it.

Genesis has already incurred an enormous cost in time and money while attempting to accommodate — and now defend — our company against the dissident shareholders. We must send them a definitive message.

Shareholders, the Board needs your support to keep Genesis’ Board independent.

Please cast your vote on the **WHITE** proxy today in support of the management nominees and disregard any materials you may receive from the dissidents. In order to be counted, your vote must be submitted before **9 a.m.** (Mountain Daylight time) on **August 16, 2013**. Even if you have voted a dissident proxy, a later-dated **WHITE** proxy supersedes any previously submitted vote.

If you require assistance in casting your vote, or require replacement proxy materials, please call Genesis’ proxy solicitation agent, **CST Phoenix Advisors at 1-800-921-9376**, or call collect 201-806-2222, or email inquiries@phoenixadvisorscst.com

About Genesis

Genesis is a Calgary-based real estate development corporation engaged in the acquisition, development, and sale of land, residential lots and homes in Alberta and British Columbia. All business activities of the Corporation are conducted in Western Canada, with development lands held primarily in and around the cities of Calgary and Airdrie. With a diversified and substantial land base, the Corporation is well positioned to focus on developing those projects that offer the best return in the market going forward.

SOURCE Genesis Land Development Corp.

For further information:

Shareholders

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