

Investment trust selling convertible debentures

Proceeds to help finance future acquisitions

Friday, January 20th, 2006

LANESBOROUGH Real Estate Investment Trust has entered into an agreement for the private placement of between \$5 million and \$15 million in convertible debentures.

The deal is with Wellington West Capital Inc. and Desjardins Securities Inc., which will act as co-lead agents for the offering of five-year, 7.5 per cent Subordinated Series F convertible debentures.

Purchasers of the debentures will be able to convert them into LREIT trust units at any time after the second anniversary of the initial date of issuance up until the maturity date. Conversion prices are: \$6 per unit in the third year following the initial issuance of the debentures; \$6.60 per unit in the fourth year; and \$7.30 per unit in the fifth year.

The Winnipeg-based real estate investment trust said it plans to use the proceeds from the offering to help finance future apartment block acquisitions and for general purposes. The offering, which must be approved by the TSX Venture Exchange, is expected to close on or about Feb. 22.

Lanesborough shares trade on the TSX Venture Exchange and closed yesterday at \$5.11, which was up one cent from Wednesday's closing price.