



LANESBOROUGH

Real estate investment trust
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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES FINAL CLOSING OF PUBLIC OFFERING OF MORTGAGE BONDS AND WARRANTS FOR MAXIMUM AGGREGATE PROCEEDS OF \$16 MILLION

Winnipeg, Manitoba – January 28, 2011 – Lanesborough Real Estate Investment Trust (“**LREIT**”) (TSX: LRT.UN) announced today that it has completed a second and final closing of the previously announced offering (the “**Offering**”) of a minimum of 7,000 and a maximum of 16,000 investment units (the “**Units**”) at a price of \$1,000 per Unit. Pursuant to the second closing, LREIT sold an additional 3,630 Units which, together with the 12,637 Units sold on December 23, 2010, resulted in LREIT selling the maximum number of Units permitted to be under the Offering.

Each Unit is comprised of one 5 year 9% second mortgage bond (each, a “**Bond**” and collectively, the “**Bonds**”) in the principal amount of \$1,000 and 1,000 trust unit purchase warrants (each, a “**Warrant**” and, collectively, the “**Warrants**”). Each Warrant entitles the holder thereof to acquire one trust unit of LREIT at a price of \$0.75 at any time on or before December 23, 2015.

The gross proceeds to LREIT pursuant to the final closing were \$3,630,000, resulting in aggregate total gross proceeds pursuant to the Offering of \$16,000,000.

Details with respect to the Offering and the use of proceeds of the Offering are set forth in the final short-form prospectus dated December 16, 2010.

The Bonds and the Warrants are listed on the Toronto Stock Exchange under the trading symbols “LRT.NT.A” and “LRT.WT.A”, respectively.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units), LRT.DB.F (Series F Convertible Debentures), LRT.DB.G (Series G Convertible Debentures), LRT.NT (Second Mortgage Bonds due March 10, 2015), LRT.NT.A (Second Mortgage Bonds due December 24, 2015), LRT.WT (Warrants expiring March 9, 2015) and LRT.WT.A (Warrants expiring December 23, 2015). The objective of LREIT is to provide Unitholders with stable cash distributions from investment in a diversified portfolio of quality real estate properties. For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The TSX has not reviewed or approved the contents of this press release and does not accept responsibility for the adequacy or accuracy of this press release.

This press release is not an offer of securities for sale in the United States, the securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and will contain detailed information about the company and management, as well as financial statements.