



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST

Press Release

LANESBOROUGH REIT ANNOUNCES EXTENSION AND AMENDMENT OF SERIES G DEBENTURES AND REDUCTION IN REVOLVING LOAN FACILITY INTEREST RATE

Winnipeg, Manitoba – June 21, 2016 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that its issued and outstanding 9.50% Series G Redeemable Subordinated Secured Debentures due June 30, 2018 (the “Debentures”) have been extended and amended. In particular, (a) the maturity date of the Debentures has been extended from June 30, 2018 to June 30, 2022; (b) the interest rate payable on the Debentures commencing June 30, 2016 has been reduced from 9.50% per annum to 5.00% per annum; and (c) the interest payment date(s) in respect of the Debentures has been extended from semi-annually on June 30th and December 31st of each year (including the semi-annual interest payment scheduled for June 30, 2016) to June 30, 2022 (the “Amendments”). The Amendments were approved by the holders of the Debentures at a special meeting (the “Meeting”) of such holders held on June 21, 2016. LREIT anticipates that the Amendments will be effective on or about June 22, 2016. LREIT also announced today the reduction of the interest rate on LREIT’s revolving loan facility with 2668921 Manitoba Ltd. from 12.00% per annum to 5.00% per annum, which reduction was conditional on the approval of the Amendments by the holders of the Debentures at the Meeting.

LREIT will enter into a supplemental trust indenture with the trustee for the Debentures, CIBC Mellon Trust Company, that will give effect to the Amendments. This supplemental trust indenture will be filed on SEDAR by LREIT.

There are \$24,810,800 principal amount of Debentures issued and outstanding. The Debentures are listed on the Toronto Stock Exchange under the trading symbol "LRT.DB.G".

Laurentian Bank Securities Inc. acted as solicitation agent of LREIT for the Amendments.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units) and LRT.DB.G (Series G Debentures). 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 contains certain statements regarding the proposed transaction described herein that could be considered as forward-looking information. The forward-looking information is subject to certain risks and uncertainties, which could result in actual results differing materially from the forward-looking statements. There can be no certainty that the transaction will be completed within the timeline set forth herein or at all.