



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES \$11.2 MILLION SALE OF YELLOWKNIFE PROPERTY

Winnipeg, Manitoba, November 2, 2010 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the previously announced sale of a 50-suite townhouse property in Yellowknife, Northwest Territories, known as Three Lakes Village, for \$11.2 million. The sale resulted in net cash to LREIT of approximately \$4.1 million, after expenses, closing adjustments and the assumption by the purchaser of approximately \$7 million of first mortgage debt.

As required by the bond indenture for the 9% second mortgage bond due on March 10, 2015, the net cash from the sale will be used to prepay a portion of the \$6.78 million of principal outstanding under the second mortgage bond. The prepayment will occur in December 2010.

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) and LRT.WT (Warrants). The objective of LREIT is to provide Unitholders with stable cash distributions from investment in a geographically diversified Canadian 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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This press release contains certain statements 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.

The Toronto Stock Exchange 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