



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES NORMAL COURSE ISSUER BIDS FOR TWO SERIES OF WARRANTS

Winnipeg, Manitoba, September 15, 2011 – Lanesborough Real Estate Investment Trust (“**LREIT**”) (TSX: LRT.UN) today announced that it has received approval from the Toronto Stock Exchange (“**TSX**”) with respect to:

- (a) a normal course issuer bid to purchase up to an aggregate of 678,000 trust unit purchase warrants due March 9, 2015 (the “**March 2015 Warrants**”), representing 10% of the public float in respect of the March 2015 Warrants as at September 14, 2011 (the “**March 2015 Warrant NCIB**”); and
- (b) a normal course issuer bid to purchase up to an aggregate of 1,600,000 trust unit purchase warrants due December 23, 2015 (the “**December 2015 Warrants**”), representing 10% of the public float in respect of the December 2015 Warrants as at September 14, 2011 (the “**December 2015 Warrant NCIB**” and, together with the March 2015 Warrant NCIB, the “**Warrant NCIBs**”).

Purchases of March 2015 Warrants and December 2015 Warrants (collectively, “**Warrants**”) pursuant to the Warrant NCIBs will be made through the facilities of the TSX. The period of each Warrant NCIB will extend from September 19, 2011 to September 18, 2012, or an earlier date, should LREIT purchase the maximum number of the applicable series of Warrants. LREIT will pay the market price at the time of acquisition for any Warrants purchased through the facilities of the TSX. All Warrants acquired by LREIT under either of the Warrant NCIBs will be cancelled.

As at September 14, 2011:

- (a) there were 6,780,000 March 2015 Warrants issued and outstanding all of which comprised the public float of such securities. The average daily trading volume of the March 2015 Warrants for the six month period ended August 31, 2011 was 1,882 March 2015 Warrants. 25% of the average daily trading volume of the March 2015 Warrants for the six month period ended August 31, 2011 is approximately 470 March 2015 Warrants; and
- (b) there were 16,000,000 December 2015 Warrants issued and outstanding, all of which comprised the public float of such securities. The average daily trading

volume of the December 2015 Warrants for the six month period ended August 31, 2011 was 8,106 December 2015 Warrants. 25% of the average daily trading volume of the December 2015 Warrants for the six month period ended August 31, 2011 is approximately 2,026 December 2015 Warrants.

Under the Warrant NCIBs, the maximum number of March 2015 Warrants and December 2015 Warrants that may be purchased by LREIT on a daily basis is 470 March 2015 Warrants and 2,026 December 2015 Warrants.

LREIT sought approval of the Warrant NCIBs because it believes that, from time to time, the market price of either or both of the series of Warrants may not fully reflect the underlying value of the applicable series of Warrants. LREIT believes that, in such circumstances, the purchase of the applicable series of Warrants represents an attractive investment for 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.G (convertible debentures), LRT.NT.A (mortgage bonds), LRT.WT (March 2015 Warrants) and LRT.WT.A (December 2015 Warrants). For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.