



## LANESBOROUGH

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

#### LANESBOROUGH REIT ANNOUNCES AGREEMENT TO HEAD LEASE FORT MCMURRAY RESIDENTIAL COMPLEX

Winnipeg, Manitoba – April 4, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has entered into an agreement with a major oil sands operating company (the “Tenant”), which provides for the Tenant to lease all of the 175 furnished rental housing units (111 apartments and 64 townhouses) at the newly constructed Lakewood Apartment Complex (“Lakewood”) in Fort McMurray, Alberta. LREIT previously announced on December 15, 2005 that it had agreed to acquire Lakewood for \$56,565,825, subject to the usual closing adjustments. The acquisition by LREIT will close upon completion of construction, which is expected to occur in December 2006.

The term of the lease extends until December 31, 2009 and will provide LREIT with an annual absolute net operating income from Lakewood in the amount of \$4,743,000. The agreement provides the Tenant with an option to extend the lease for an additional two years at a 10% increase in the annual absolute net operating income. The Tenant will also have a three year purchase option to acquire all of the 64 townhouse units for \$25,593,600 during 2007, \$26,297,600 during 2008 and \$27,091,200 during 2009.

The net lease agreement with the Tenant assures that Lakewood will have 100% occupancy for a minimum of three years, which is expected to result in a reduction in the cost of fixed-rate mortgage financing for Lakewood.

LREIT is a real estate investment trust, which is listed on the TSX Venture Exchange under the symbol “LRT.UN”. 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](http://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 TSX Venture 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.*