



## LANESBOROUGH

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST

#### Press Release

#### LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF SASKATOON TOWNHOUSE PROPERTY

Winnipeg, Manitoba, April 6, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire, through a wholly-owned limited partnership to be established by LREIT (the “Partnership”), a 100-suite multi-family townhouse complex in Saskatoon, Saskatchewan for \$5.15 Million, subject to the usual closing adjustments. The property, known as Village West Townhouses, is located at 3850 Fairlight Drive in the predominantly residential Fairhaven neighbourhood in southwest Saskatoon. The property consists of 100 three-bedroom townhouse style suites, which are housed in 22 buildings containing four suites each and twelve buildings containing two suites each.

The purchase price of \$5.15 Million represents an estimated stabilized capitalization rate of 8.75%. The acquisition will be financed by the assumption of a first mortgage loan in the approximate amount of \$2.35 Million, the issuance to the vendor of Class B Limited Partnership Units (the “LPUs”) of the Partnership in the aggregate amount of \$2,649,990 and the balance in cash. The first mortgage loan bears interest at a rate of 5.22%, has monthly principal and interest payments of \$17,666 and matures on May 1, 2008. The LPUs will be issued at \$6.00 per LPU, resulting in the issuance of a total of 441,665 LPUs to the vendor. Each LPU shall be entitled to receive cash distributions equal to the cash distributions which are paid on the trust units of LREIT (the “Units”) and at the same frequency. The vendor shall have the right to exchange each LPU for Units on one for one basis.

The acquisition is expected to close in May 2006 and is subject to the final acceptance of the TSX Venture Exchange Inc. The Units of LREIT issuable upon the exchange of LPUs will be subject to a four month hold period from the date of issuance of the LPUs.

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.*