



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES ACQUISITION OF SASKATOON APARTMENT PROPERTY

Winnipeg, Manitoba, April 3, 2007 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has agreed to acquire a 113-suite multi-family apartment property located on Confederation Drive in Saskatoon, SK for \$5.6 Million, subject to the usual closing adjustments. The property, known as Borden Place Apartments, consists of three, two and one-half storey buildings and is comprised of 49 one-bedroom, 56 two-bedroom and eight bachelor suites. The property was extensively renovated in 2005 and 2006.

The purchase price of \$5.6 Million represents an estimated capitalization rate of 11%. The acquisition will be financed by a first mortgage loan in the amount of \$4.2 Million and the balance in cash. The first mortgage loan will bear interest at 5.83% for a ten-year term. The acquisition is expected to close on May 1, 2007.

LREIT is a real estate investment trust, which is listed on the Toronto Stock 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. There are currently 17,426,874 trust units outstanding. 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 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.