



## LANESBOROUGH

Real estate investment trust  
2600 Seven Evergreen Place  
Winnipeg, Manitoba R3L 2T3  
Tel. 204.475.9090  
Fax. 204.475.5505

### LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

#### LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF FORT MCMURRAY RESIDENTIAL COMPLEX

Winnipeg, Manitoba, December 15, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire a 175-suite multi-family apartment and townhouse property, which is currently under construction on the southwest corner of Loutit Road & Lougheed Drive in Fort McMurray, Alberta for \$56,565,825, subject to the usual closing adjustments. The property will consist of a 111-suite, four-storey apartment building, with a one-level underground parkade. The apartment building will be comprised of 104 two-bedroom suites and seven one-bedroom suites, all of which will be fully furnished. The property will also encompass 64 three-storey townhouses, built in clusters of four units, with each townhouse containing two-bedrooms and two full bathrooms. A one-car garage will be included in the basement level of each townhouse. The property is located adjacent to the 225-suite Nelson Ridge Estates, which was acquired by LREIT in April 2005.

The acquisition will close upon completion of construction, which is expected to occur in December 2006. LREIT has arranged first mortgage financing in the minimum amount of \$32 Million for the acquisition.

In the interim, LREIT will provide an \$8.5 Million second mortgage loan, which will be credited towards the purchase price on closing. The second mortgage loan will bear interest at 8%, payable quarterly, until closing and shall be subordinate to a construction mortgage in the maximum amount of \$32 Million.

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:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations  
Tel: (204) 475-9090, Fax: (204) 452-5505, Email: [info@lreit.com](mailto:info@lreit.com)

*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.