



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES \$6.6 MILLION SALE OF SASKATOON PROPERTY AND REPORTS GAIN ON SALE OF \$1.1 MILLION

Winnipeg, Manitoba, December 22, 2009 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the previously announced sale of a 113-suite apartment property in Saskatoon, Saskatchewan, known as Sir Robert Borden Place. The property was sold for \$6.6 Million and resulted in net cash to LREIT of approximately \$2.35 Million, after expenses, closing adjustments and the repayment of approximately \$4.01 Million of first mortgage debt. The gain on sale was approximately \$1.1 Million.

LREIT will use the net cash from the sale to repay maturing debt and for general working capital purposes. Further asset sales are expected during 2010 as part of the property divestiture program announced earlier this year.

ABOUT 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.F (Series F Convertible Debentures) and LRT.DB.G (Series G Convertible Debentures). 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.

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 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