



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 COMPLETES THE ACQUISITION OF RETIREMENT RESIDENCE IN BOWMANVILLE, ONTARIO

Winnipeg, Manitoba, February 14, 2007 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the previously announced acquisition of The Clarington Seniors Residence, a 126-suite seniors’ retirement residence located in Bowmanville, Ontario. The purchase price of \$22.4 Million, subject to the usual closing adjustments, was financed with short-term mortgage financing in the amount of \$16.9 Million and the balance in cash. LREIT will obtain long-term mortgage financing upon completion of the “lease-up” of the property in 2008.

LREIT has retained Kingsway Arms Management Services Inc. (“Kingsway”) to manage the property for a ten-year term. Kingsway will guarantee an 8% return on the cash component of LREIT’s investment until “lease-up” is achieved.

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 17,405,435 trust units outstanding. For further information on LREIT, please visit our website at 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

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.