



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES NORMAL COURSE ISSUER BIDS FOR TRUST UNITS, SERIES F DEBENTURES AND SERIES G DEBENTURES

Winnipeg, Manitoba, January 11, 2010 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) today announced that it has received approval from the Toronto Stock Exchange (“TSX”) for the renewal of its normal course issuer bid to purchase up to an aggregate of 1,368,158 trust units (“Units”) and initial normal course issuer bids to purchase up to an aggregate principal amount of \$1,368,000 of 5 Year 7.50% Subordinated Series F Convertible Debentures (“Series F Debentures”) and up to an aggregate principal amount of \$2,573,000 of 5 Year 7.50% Series G Convertible Redeemable Unsecured Subordinated Debentures (“Series G Debentures”), representing 10% of public float of Units, Series F Debentures and Series G Debentures as at the date hereof.

Purchases pursuant to the normal course issuer bids will be made through the facilities of the TSX. The existing normal course issuer bid for the Units will terminate effective January 12, 2010. Each of the normal course issuer bids will commence on January 13, 2010 and expire on January 12, 2011, or an earlier date should LREIT purchase the maximum number of Units, Series F Debentures or Series G Debentures, as applicable. LREIT will pay the market price at the time of acquisition for any Units, Series F Debentures and Series G Debentures, as applicable, purchased through the facilities of the TSX. All Units, Series F Debentures and Series G Debentures acquired by LREIT under the normal course issuer bids will be cancelled. As at the date hereof, there are 17,893,767 Units, \$13,680,000 aggregate principal amount of Series F Debentures and \$25,732,000 aggregate principal amount of Series G Debentures issued and outstanding. The average daily trading volume of the securities for the six-month period ended December 31, 2009 was 58,558 Units, \$15,865 aggregate principal amount of Series F Debentures and \$16,714 aggregate principal amount of Series G Debentures. Twenty-five percent of the average daily trading volume of the securities for the six month period ended December 31, 2009 is 14,639 Units, \$3,966 aggregate principal amount of Series F Debentures and \$4,179 aggregate principal amount of Series G Debentures, respectively.

LREIT is pursuing the normal course issuer bids because it believes that, from time to time, the market price of the Units, the Series F Debentures and the Series G Debentures may not fully reflect their underlying values. LREIT believes that, in such

circumstances, the outstanding Units, Series F Debentures and/or Series G Debentures represent an attractive investment for LREIT.

Under its normal course issuer bid for Units which commenced on January 21, 2009 and will terminate on January 13, 2010, LREIT acquired 77,607 Units at a weighted average price of \$2.9765 per Unit.

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 and LRT.DB.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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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.