



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES ISSUANCE OF OPTIONS

Winnipeg, Manitoba – January 17, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today the issuance of an aggregate of 30,000 incentive options (“Options”) to purchase its trust units (“Units”), exercisable at \$5.42 per Unit, to each of trustees and the Chief Financial Officer (“CFO”) of LREIT. The three trustees and the CFO will each receive 7,500 Options. The Options have been issued pursuant to LREIT’s unit option plan.

The issuance of the Options is subject to the approval of the TSX Venture Exchange. If the issuance of the Options is approved by the TSX Venture Exchange, the Options will be subject to a minimum hold period of four months and a day in accordance with applicable securities laws and the policies of the TSX Venture Exchange.

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 residential 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 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.