

PRESS RELEASE

EARLY WARNING REPORT FILED IN RESPECT OF LANESBOROUGH REAL ESTATE INVESTMENT TRUST

Winnipeg, Manitoba – January 31, 2008 – Arni C. Thorsteinson, Chief Executive Officer and a trustee of Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today he acquired ownership and control of an aggregate of 300,000 trust units (“Units”) of LREIT. Immediately after the acquisition of the Units, Mr. Thorsteinson beneficially owns or controls 1,895,600 Units, representing 10.64% of the issued and outstanding Units. Mr. Thorsteinson also holds options to acquire an aggregate of 357,500 Units. The Units were acquired for investment purposes and purchased on the Toronto Stock Exchange. Mr. Thorsteinson may, depending on market and other conditions, increase or decrease beneficial ownership of, or control or direction over, Units through market transactions, treasury issuances, the exercise of options, convertible securities or otherwise.

An early warning report in respect of the above-noted transaction will be filed on SEDAR and will be available at www.sedar.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.