



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LREIT COMPLETES TEMPORARY SECOND MORTGAGE LOAN INVESTMENT

Winnipeg, Manitoba, January 6, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced increase in its second mortgage loan investment secured by the office building and excess land located at 1189 Colonel Sam Drive in the City of Oshawa, Ontario. The second mortgage loan investment has been increased by \$1,475,000 to the aggregate principal amount of \$3,625,000.

The approval of the TSX Venture Exchange has been received with respect to the increased investment.

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 real estate properties. For further information, 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.