



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES ISSUANCE OF OPTIONS

Winnipeg, Manitoba – January 7, 2008 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today the issuance of an aggregate of 370,000 incentive options (“Options”) to purchase its trust units (“Units”), exercisable at \$5.10 per Unit to each of the independent trustees, the Chief Executive Officer (“CEO”) and the Chief Financial Officer of LREIT and to a total of 20 management and other senior employees of Shelter Canadian Properties Limited who are engaged in LREIT related functions. The Options issued to the four independent trustees will vest immediately, while the balance of the Options will vest equally on each of the grant date and the first, second, third and fourth anniversaries of the grant date. The Options have been issued pursuant to LREIT’s unit option plan.

The Units issued upon exercise of the Options will be subject to a minimum hold period of four months and a day from the date of the grant of the Options.

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 17,516,634 trust units outstanding. For further information on LREIT, please visit our website at www.lreit.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.