



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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Press Release

LREIT ANNOUNCES THE ACQUISITION OF AN APARTMENT PROPERTY IN PEACE RIVER, ALBERTA.

Winnipeg, Manitoba, July 21, 2004 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire a 72 suite multi-family apartment property, known as Norglen Terrace, in Peace River, Alberta for \$2.6 Million. Norglen Terrace consists of two four-storey buildings, each containing 36 suites. There are a total of 22 one-bedroom, 32 two-bedroom, 16 three-bedroom and two bachelor suites. The acquisition is subject to the satisfaction of certain conditions, and is expected to close during September 2004.

The acquisition reflects LREIT’s ongoing strategy of concentrating on multi-family apartment properties for future property acquisitions.

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 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.