



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ARRANGES FINANCING COMMITMENTS

Winnipeg, Manitoba, June 30, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has arranged a second mortgage loan in the amount of \$500,000 secured by a second mortgage charge on the Norglen Terrace property in Peace River, Alberta. The second mortgage loan is from 2668921 Manitoba Ltd. (“2668921”), bears interest at 7.5%, payable monthly and matures on June 1, 2010. The loan also provides for a \$15,000 processing fee payable to 2668921. The proceeds of the second mortgage loan are used for the paydown of the first mortgage loan, with the remaining \$2.4 Million balance of the first mortgage loan extended with the existing lender to June 1, 2010 at 7.5%.

LREIT also announced today that it has obtained a \$2.7 Million revolving loan commitment from 2668921 for the purpose of providing operating advances to LREIT. The loan will be secured by a third mortgage charge on the Riverside Terrace property in Saskatoon, Saskatchewan, will bear interest at 7.5% payable monthly and is repayable on June 30, 2010.

The loans were approved by the independent Trustees of LREIT. Arni Thorsteinson, the Chief Executive Officer and a Trustee of LREIT, is also the President of Shelter Canadian Properties Limited and its parent company, 2668921. Accordingly, Mr. Thorsteinson abstained from voting on the approval of this matter.

The transactions are subject to all necessary stock exchange and regulatory approvals.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units), LRT.DB.F (Series F Convertible Debentures) and LRT.DB.G (Series G Convertible Debentures). 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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This press release contains certain statements that could be considered as forward-looking information. The forward-looking information is subject to certain risks and uncertainties, which could result in actual results differing materially from the forward-looking statements.

The Toronto Stock 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.