



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF FORT MCMURRAY APARTMENT PROPERTY

Winnipeg, Manitoba, June 13, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire a 186-suite apartment property, to be constructed at 302 Parsons Creek Drive in the Timberlea area of Fort McMurray for \$57.75 Million. The property, which will be known as Park View Apartments, will consist of two four-storey apartment buildings, with a 184-stall underground parkade and 131-stall surface parking lot. The property will be comprised of 176 two-bedroom and ten one-bedroom suites, all of which will be fully furnished. Each of the suites will have individual condominium title.

The purchase price of \$57.75 Million represents an estimated capitalization rate of 8%, based on projected net operating income. The acquisition will be financed with a new first mortgage loan in the estimated amount of \$43 Million and the balance in cash. It is projected that the first mortgage loan will bear interest at a rate of 5.25% for a five-year term and will have a 25-year amortization. The acquisition will close upon completion of construction, which is expected to be not later than November 30, 2007.

In the interim, LREIT will provide an \$11 Million second mortgage loan, which will be credited towards the purchase price on closing. The second mortgage loan will bear interest at the Royal Bank of Canada prime rate, payable quarterly, until closing and shall be subordinate to a construction mortgage in the maximum amount of \$43 Million.

This acquisition increases LREIT's Fort McMurray portfolio of multi-family rental housing to ten properties, representing 866 apartment and townhouse units.

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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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 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.