



## LANESBOROUGH

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

#### LANESBOROUGH REIT COMPLETES ACQUISITION OF SASKATCHEWAN PROPERTIES

Winnipeg, Manitoba, June 2, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisition, through a wholly-owned limited partnership named LREIT Village West Limited Partnership (the “Partnership”), of a 100-suite multi-family townhouse complex in Saskatoon, Saskatchewan. The property, known as Village West Townhouses, is located at 3850 Fairlight Drive in the predominantly residential Fairhaven neighbourhood in southwest Saskatoon.

The purchase price of \$5,113,800, subject to the usual closing adjustments, was funded by the assumption of a first mortgage loan in the amount of \$2,274,086, the issuance to the vendor of 456,617 Class B limited partnership units (the “LPUs”) of the Partnership at a deemed price of \$6.00 per LPU and the balance in cash. Each LPU is entitled to receive cash distributions equal to the cash distributions which are paid on the trust units of LREIT (“Units”) and at the same frequency. The LPUs are exchangeable for Units on a one-for-one basis at the option of the holder or in certain prescribed circumstances. The LPUs (and any Units issued in exchange for LPUs) are subject to a four-month hold period from the date of issuance of the LPUs.

LREIT also announced today that it has completed the previously announced acquisition of a 102-suite apartment property in Moose Jaw, Saskatchewan. The property, known as Woodlily Courts, is located on Woodlily Drive in the northwest quadrant of Moose Jaw. The purchase price of \$3.7 Million, subject to the usual closing adjustments, was funded entirely in cash on an interim basis. LREIT has obtained a commitment for a first mortgage loan, which is scheduled to be advanced by June 30, 2006. The first mortgage loan will bear interest at an estimated rate of 5.5% for a ten-year term and will have a 30-year amortization.

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](http://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.*