



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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Lanesborough Real Estate Investment Trust Press Release

LREIT ANNOUNCES COMPLETION OF PUBLIC OFFERING OF CONVERTIBLE DEBENTURES IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,000,000

Winnipeg, Manitoba, March 16, 2004 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has closed its public offering of 4,000 4 Year 8% Senior Subordinated Series D Convertible Debentures (the “Debentures”) at a price of \$1,000 per Debenture, which resulted in gross proceeds to LREIT of \$4,000,000. Wellington West Capital Inc. acted as agent in connection with the public offering and was paid a fee of 7% of the gross proceeds of the public offering.

The net proceeds from the public offering of Debentures will be used for the purchase of multi-family residential properties, to be determined.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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.