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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LREIT COMPLETES THE ACQUISITION OF FOUR APARTMENT PROPERTIES

Winnipeg, Manitoba, March 2, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisitions of four multi-family apartment properties in Prince Albert, Saskatchewan, comprising a total of 131 suites. The properties are known as Cedar Village (72 suites), Carlton Manor (19 suites), Riverside Apartments (12 suites) and MGM Apartments (28 suites).

The total purchase price of \$4.025 Million (subject to the usual closing costs) was funded by the assumption of four first mortgage loans in the approximate aggregate amount of \$2.91 Million, by a non-interest bearing blanket vendor take-back mortgage in the amount of \$250,000 and the balance in cash. The first mortgage loans bear interest at rates ranging from 4.1% to 5.1%.

The acquisitions reflect 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, 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.