



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES THE ACQUISITION OF APARTMENT PROPERTY IN EDSON, ALBERTA

Winnipeg, Manitoba, May 17, 2007 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the acquisition of a 48-suite multi-family apartment property located on 56 Street in Edson, AB for \$4,050,000, subject to the usual closing adjustments. The property, known as Westhaven Manor, consists of a three-storey apartment building and is comprised of 24 one-bedroom and 24 two-bedroom suites. Edson is located approximately two hours west of Edmonton on the Trans Canada Yellowhead Route.

The purchase price of \$4,050,000, which represents an estimated capitalization rate of 7.6%, was funded by the assumption of a first mortgage loan in the amount of \$1,980,000, a vendor take-back mortgage in the amount of \$1,650,000 and the balance in cash. LREIT is in the process of obtaining replacement first mortgage financing in the amount of \$3,000,000, which will bear interest at an estimated rate of 5.5% for a ten-year term.

LREIT is a real estate investment trust, which is listed on the Toronto Stock 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. There are currently 17,436,905 trust units outstanding. 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 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.