



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

2600 Seven Evergreen Place

Winnipeg, Manitoba R3L 2T3

Tel. 204.475.9090

Fax. 204.475.5505

LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LREIT COMPLETES THE ACQUISITION OF TWO APARTMENT PROPERTIES IN EDMONTON

Winnipeg, Manitoba, May 25, 2004 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisition of two multi-family apartment properties in Edmonton, Alberta.

Nova Villa is located in the Castle Downs area of north-central Edmonton and consists of 61 suites in a newly constructed four-storey building. The purchase price of \$5.4 Million (subject to the usual closing adjustments) was funded by the assumption of a \$4.21 Million first mortgage loan and the balance in cash. The first mortgage loan bears interest at 4.102% and matures July 1, 2008.

Nova Manor is located approximately two kilometres north of the West Edmonton Mall and consists of 32 suites in a newly constructed three-storey building. The purchase price of \$2.615 Million (subject to the usual closing adjustments) was funded by the assumption of a \$2.36 Million first mortgage loan and the balance in cash. The first mortgage loan bears interest at 5.45% and matures November 1, 2013.

The two 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 on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

[Arni Thorsteinson](mailto:Arni.Thorsteinson@lreit.com), Chief Executive Officer, or [Gino Romagnoli](mailto:Gino.Romagnoli@lreit.com), Investor Relations

Tel: (204) 475-9090, Fax: (204) 452-5505, Email: info@lreit.com

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.