



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LREIT ANNOUNCES THE ACQUISITION OF APARTMENT PROPERTY IN PRINCE ALBERT, SASKATCHEWAN

Winnipeg, Manitoba, May 26, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has conditionally agreed to acquire a 129-suite, high-rise, multi-family apartment property in Prince Albert, Saskatchewan, known as Marquis Towers, for \$6.2 Million (subject to the usual closing adjustments). The property consists of a 15-storey, concrete tower containing a total of two bachelor, 98 one-bedroom and 29 two-bedroom suites. The acquisition is expected to close on August 31, 2005, subject to the satisfaction of certain conditions.

The acquisition reflects 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:

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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.