



## 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

#### LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF ADDITIONAL FORT MCMURRAY RESIDENTIAL COMPLEX

Winnipeg, Manitoba, May 3, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire a 107-unit multi-family apartment and townhouse property, which is currently under construction near the corner of Real Martin Drive and Williams Drive in Fort McMurray, Alberta for \$37,865,000, subject to the usual closing adjustments. The property, known as Woodland Park, will consist of a 75-suite, four-storey apartment building, with an 89-stall underground parkade. The apartment building will be comprised of 55 two-bedroom, twelve two-bedroom plus den and eight three-bedroom suites, all of which will be fully furnished. The property will also encompass 32 three-bedroom townhouses, all of which will be fully furnished and include a two-car garage. Each of the apartment and townhouse units will have individual condominium title.

The purchase price of \$37,865,000 represents an estimated capitalization rate of 7.95%. The acquisition will be financed with a new first mortgage loan in the estimated amount of \$25 Million and the balance in cash. It is projected that the first mortgage loan will bear interest at a rate of 5.25% for a five-year term and will have a 25-year amortization. The acquisition will close upon completion of construction, which shall be not later than December 31, 2006.

In the interim, LREIT will provide a \$5 Million second mortgage loan, which will be credited towards the purchase price on closing. The second mortgage loan will bear interest at the Royal Bank prime rate, payable quarterly, until closing and shall be subordinate to a construction mortgage in the maximum amount of \$18 Million.

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](http://www.lreit.com).

#### FOR FURTHER INFORMATION PLEASE CONTACT:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations  
Tel: (204) 475-9090, Fax: (204) 452-5505, Email: [info@lreit.com](mailto:info@lreit.com)

*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 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.*