



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LREIT COMPLETES THE ACQUISITION OF YELLOWKNIFE TOWNHOUSES

Winnipeg, Manitoba, May 4, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has completed the previously announced acquisition of a 50 suite executive townhouse property, known as Nova Village, in Yellowknife, NWT. All of the suites in the recently built property are of three-bedroom, two-storey design and contain two and a half bathrooms and a single car garage. The purchase price of \$10.9 Million (subject to the usual closing adjustments) was funded by the assumption of a first mortgage loan in the approximate amount of \$7.62 Million and the balance in cash. The first mortgage loan bears interest at 4.84% for a ten year term and has a 30 year amortization period.

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.