



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES DISTRIBUTION REINVESTMENT PLAN

Winnipeg, Manitoba – November 1, 2006 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today the commencement of a Distribution Reinvestment Plan (the “DRIP”). Under the terms of the DRIP, eligible Unitholders of LREIT (the “Unitholders”) may elect to automatically reinvest all or a portion of their regular monthly distributions in additional trust units (the “Units”) of LREIT, without incurring any commissions, service charges or brokerage fees under the DRIP. Unitholders who elect to reinvest cash distributions under the DRIP will receive Units at a price (the “Average Market Price”) equal to the weighted average closing price of the Units for the five trading days preceding the distribution payment date. With each reinvestment, Unitholders will receive a bonus distribution equal to 4% of the amount reinvested, which will be reinvested in Units at the Average Market Price.

Unitholders who participate in the DRIP may also elect to purchase additional Units by way of cash payment, without incurring any commissions, service charges or brokerage fees. Units purchased by way of additional cash payment will be purchased at the weighted average closing price of the Units for the five trading days preceding the distribution payment date.

Units may be purchased under the DRIP commencing with the cash distribution to be made in December 2006 to Unitholders of record on November 30, 2006. Units purchased through the DRIP will be issued directly from LREIT’s treasury.

Registered Unitholders may enroll by completing an enrollment form and submitting the completed form to CIBC Mellon Trust Company at the address set out in the DRIP. Beneficial Unitholders are encouraged to contact their broker or other intermediary for enrollment information. The DRIP is subject to certain limitations and restrictions and interested parties are encouraged to review the full text of the DRIP. The DRIP and the enrollment form are available on LREIT’s website at www.lreit.com.

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 residential real estate properties. There are currently 17,385,596 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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The Toronto Stock 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.