



## LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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### LANESBOROUGH REAL ESTATE INVESTMENT TRUST

#### Press Release

#### LANESBOROUGH REIT ANNOUNCES DELAY IN PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT

Winnipeg, Manitoba – November 17, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) today announced, together with its agents, its decision to delay its previously announced private placement of trust units (the “Units”) for total gross proceeds of approximately \$30 million.

On November 16, 2005, LREIT announced that the Units would be priced at \$5.25 per Unit and that the private placement was scheduled to close on or about November 29, 2005, subject to the completion of a definitive agency agreement and the receipt of all required regulatory and other necessary approvals.

The decision to delay the closing was made as a result of open market purchases of 35,100 Units by the CEO of LREIT between October 24, 2005 and November 16, 2005, through a dealer not associated with any of the agents to the offering. The purchases, which were reported under the System for Electronic Disclosure by Insiders (SEDI) by the CEO, have been jointly referred by LREIT, the CEO and the agents to the appropriate market regulators. The agents learned of these purchases shortly following the pricing of the offering. As a result, the trustees in conjunction with the agents have decided to delay the Offering, which will allow a pricing of the Units to occur at a time that is less proximate to the purchases by the CEO of LREIT. There can be no assurance at this time as to whether the offering will proceed or as to the terms thereof.

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 residential real estate properties. For further information on LREIT, please visit our website at [www.lreit.com](http://www.lreit.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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.*