



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

2600 Seven Evergreen Place

Winnipeg, Manitoba R3L 2T3

Tel. 204.475.9090

Fax. 204.475.5505

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Press Release

LANESBOROUGH REIT ANNOUNCES NEW TERMS OF PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT

Winnipeg, Manitoba – November 30, 2005 –Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has priced the previously announced private placement of trust units (the “Units”) for total gross proceeds of approximately \$25,000,000. An Agents’ Option has been granted to raise up to an additional \$10,000,000 of Units, for aggregate gross proceeds of approximately \$35,000,000. The Units have been priced at \$5.10 per Unit.

A syndicate led by Westwind Partners Inc. and Desjardins Securities Inc., and including Blackmont Capital Inc. (collectively the “Agents”), has agreed to place the Units by way of private placement on a “best efforts” basis.

LREIT intends to use the proceeds from the sale of the Units to fund equity commitments associated with the purchase of multi-family apartment properties and for general purposes.

The Units sold pursuant to the private placement will be subject to resale restrictions pursuant to applicable securities law and stock exchange requirements. The private placement financing is scheduled to close on or about December 13, 2005 and is subject to the completion of a definitive agency agreement and the receipt of all required regulatory and other necessary approvals.

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.

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:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations

Tel: (204) 475-9090, Fax: (204) 452-5505, Email: info@lreit.com

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.