



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT COMPLETES THE SALE OF THREE PROPERTIES

Winnipeg, Manitoba, October 1, 2009 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced that it has completed the previously announced sale of a 103,209 square foot office and retail complex in Winnipeg, Manitoba, known as Kenaston Place and Kenaston Village Mall, for \$18.35 Million. The sale resulted in net cash to LREIT of approximately \$6.17 Million, after expenses, closing adjustments, holdbacks of \$832,500 and the assumption by the purchaser of approximately \$10.89 Million of first mortgage debt. The holdbacks will be held in trust for a maximum of 18 months to guarantee certain rent payments and tenant improvement allowances and any unexpended balance will be released to LREIT at that time.

LREIT also announced that it has completed the previously announced sale of a 61-suite apartment property in Edmonton, Alberta, known as Nova Villa, for \$6.7 Million. LREIT provided second mortgage financing to the purchaser in the amount of \$0.5 Million, bearing interest at 5% for a five year term. Net of the second mortgage, the sale resulted in net cash to LREIT of approximately \$2.25 Million, after expenses, closing adjustments and the repayment of approximately \$3.75 Million of first mortgage debt.

LREIT further announced that it has completed the previously announced sale of a 102-suite apartment property in Spruce Grove, Alberta, known as Nova Ridge Estates, for \$10.525 Million. The sale resulted in net cash to LREIT of approximately \$3.4 Million, after expenses, closing adjustments and the assumption by the purchaser of approximately \$6.74 Million of first mortgage debt.

LREIT used approximately \$11.46 Million of the net cash from the sales to repay other interim mortgage debt, which had a weighted average interest rate of 11.57%.

Pursuant to LREIT’s previously announced plans to divest assets and reduce debt, additional property sales are under conditional contract or sale listings and are expected to close during the fourth quarter of 2009.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units), LRT.DB.F (Series F Convertible Debentures) and LRT.DB.G (Series G Convertible Debentures). 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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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 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.