



LANESBOROUGH

Real estate investment trust
2600 Seven Evergreen Place
Winnipeg, Manitoba
R3L 2T3
Tel. 204.475.9090
Fax. 204.475.5505

LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES SALE OF SASKATOON PROPERTY

Winnipeg, Manitoba, September 23, 2009 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced that it has entered into an unconditional agreement to sell a 100-suite townhouse property in Saskatoon, Saskatchewan, known as Village West Townhouses for \$7.9 Million. The sale is scheduled to close on November 1, 2009 and is expected to result in net cash to LREIT of approximately \$3.38 Million, net of expenses and closing adjustments, and the repayment of approximately \$4.39 Million of first mortgage debt. LREIT will use the net cash from the sale to repay other higher cost interim mortgage debt. The property was acquired in June 2006 at a cost of \$5.11 Million.

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:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations
Tel: (204) 475-9090, Fax: (204) 452-5505, Email: info@lreit.com

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