



LANESBOROUGH

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Press Release

LANESBOROUGH REIT ANNOUNCES THE ACQUISITION OF WINNIPEG APARTMENT PROPERTY

Winnipeg, Manitoba, August 17, 2005 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has agreed to acquire a 48-suite, luxury multi-family apartment property in Winnipeg, Manitoba, known as Chancellor Gate, for \$6.75 Million, subject to the usual closing adjustments. The property, which opened for occupancy in January 2004, consists of a four-storey building containing eight one-bedroom, four one-bedroom plus den, 24 two-bedroom plus den and 12 two-bedroom two-bathroom suites. The property is located in the southwest quadrant of Winnipeg near the intersection of Pembina Highway and Chancellor Drive, with direct access to Bishop Grandin Boulevard. The acquisition is expected to close on August 31, 2005.

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 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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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.