



LANESBOROUGH

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Press Release

LREIT ANNOUNCES PRIVATE PLACEMENT OFFERING OF TRUST UNITS

Winnipeg, May 29, 2003 – Lanesborough Real Estate Investment Trust (“LREIT”) announced today that the trustees of LREIT have approved a private placement offering (the “Offering”) of trust units (“Units”) of LREIT to be undertaken in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba and in the Northwest Territories, subject to receipt of certain regulatory approvals. LREIT will offer a minimum of 500,000 Units and a maximum of 1,125,000 Units at a price per Unit to be determined in the context of the market and in accordance with the policies of The TSX Venture Exchange. LREIT intends to enter into an agreement with Wellington West Capital Inc. (“Wellington”), whereby Wellington shall act as agent for the Offering. LREIT will pay Wellington a commission of 7% on the sale of all Units pursuant to the Offering. It is anticipated that the initial closing of the Offering will occur on July 15, 2003, subject to mutual agreement of LREIT and Wellington.

The closing of the Offering is subject to receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange. The funds raised by the Offering will be used by LREIT to acquire additional properties (although to date there have not been any properties specifically identified) that it expects will enhance its ability to provide its Unitholders with stable cash distributions and to maximize the value of its Units.

LREIT is a real estate investment trust, which has been listed on the TSX Venture Exchange under the symbol “LRT.UN” since September 9, 2002. LREIT’s objective is to provide Unitholders with stable and growing cash distributions from investment in a geographically diversified Canadian portfolio of quality properties with strong tenants. For further information on LREIT, please visit our website at www.lreit.com.

The TSX Venture Exchange has not reviewed or approved the contents of this press release.

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