



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

LREIT AGREES TO AMEND CERTAIN TERMS OF ITS SECOND MORTGAGE LOAN INVESTMENT

Winnipeg, December 31, 2003 – Lanesborough Real Estate Investment Trust (“LREIT”) today announced that it has agreed to amend certain of the terms of its current \$1,150,000 second mortgage loan secured by a 103,000 square foot Class A office building in Oshawa, Ontario (the “[MINACS Building](#)”) located adjacent to the Canadian Head Office of General Motors. The MINACS Building is 100% leased to MINACS Worldwide Inc., a customer relationship management (CRM) services company that employs 4,000 people in 22 locations in Canada, the U.S. and Europe and is a major service provider to General Motors.

The second mortgage loan will be increased by \$1,000,000 to the aggregate principal amount of \$2,150,000, will bear interest at 10% per annum (payable monthly), and becomes due and payable on April 30, 2004.

The closing of the \$1,000,000 increase to the second mortgage loan is subject to receipt of all required regulatory approvals, including approval of the TSX Venture Exchange. Arni Thorsteinson, the Chief Executive Officer and a Trustee of LREIT, is also the President of 2668921 Manitoba Ltd., the beneficial owner of the MINACS Building. Mr. Thorsteinson abstained from voting on the approval of this transaction.

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 and growing cash distributions from investment in a geographically diversified Canadian portfolio of quality real estate properties. For further information, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

[Arni Thorsteinson](#)

Lanesborough Real Estate Investment Trust

(204) 475-9090

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.