



LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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Press Release

LANESBOROUGH REAL ESTATE INVESTMENT TRUST ANNOUNCES COMPLETION OF INVESTMENT IN SECOND MORTGAGE LOAN.

Winnipeg, December 19, 2002 – Lanesborough Real Estate Investment Trust (LREIT) announced today that it has completed its previously announced \$1,150,000 investment in a second mortgage loan secured by a 103,000 square foot Class A office building in Oshawa, Ontario (the “[MINACS Building](#)”). As part of the second mortgage loan transaction, LREIT has been granted a seven-month option to acquire a 50% interest in the MINACS Building.

LREIT also announced the following clarifications with respect to its press release, dated September 19, 2002.

1. The \$1,150,000 investment will represent 100% of the second mortgage financing for the MINACS Building.
2. In the event that LREIT exercises its option to acquire a 50% interest in the MINACS Building, the total purchase price will be comprised of \$1,850,000, plus 50% of the first mortgage loan, which is to be assumed by LREIT. There is a provision for \$500,000 of the \$1,850,000 to be satisfied by the issuance of 100,000 LREIT trust units at a deemed price of \$5.00 per unit.

The approval of the TSX Venture Exchange has been received only with respect to the investment in the second mortgage loan. The exercising of the option to acquire a 50% interest will require disinterested Unitholder approval prior to proceeding.

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 owns the real property, known as Kenaston Place and Kenaston Village Mall, located in Winnipeg, Manitoba. LREIT’s objective is to provide Unitholders with stable cash distributions from investment in a national portfolio of retail, residential, industrial and office properties located across Canada.

The TSX Venture Exchange has reviewed and approved the contents of this press release.

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