



FOR IMMEDIATE RELEASE

May 17, 2011

Red Deer, Alberta, May 17, 2011 – Gamehost Inc. ('Gamehost', the 'Company') (TSX: GH)

GAMEHOST ANNOUNCES Q1 2011 FINANCIAL RESULTS AND MAY DIVIDEND

Management and Directors of Gamehost Inc. ("Gamehost", the "Company", the "Corporation", "Our") are pleased to present results for the three months ended March 31, 2011 (the "Quarter").

Total revenues rose 47% to \$16.8 million for the Quarter from \$11.4 million one year earlier. Earnings before interest, taxes, depreciation and amortization ("EBITDA") that is attributable to owners of the Company rose 24% or \$1.3 million to \$6.8 million for the Quarter compared to \$5.5 million for the same quarter in 2010. The acquisition of an additional 51% ownership position in the Deerfoot Inn & Casino Inc. joint venture ("Deerfoot") in April 2010 (the "Acquisition") provided a substantial boost to revenues and earnings, but had the opposite effect on EBITDA margin percentage. EBITDA margin percentage fell 5.4 percentage points to 42.3% for the Quarter versus 47.7% for the year earlier quarter. The Deerfoot has expectedly higher operating costs due to the more labour intensive operations of a full service hotel with banquet operations compared to the Company's other properties. Also contributing to the decline in the EBITDA margin percentage is costs incurred during the Quarter relating to corporate restructuring and the transition to International Reporting Standards ("IFRS") from Canadian generally accepted accounting principles ("CGAAP").

Revenues are flat for the comparable quarters when reviewing combined property results. An increase in both food & beverage ("F&B") and hotel revenues offset reduction in gaming revenue. This however has a negative impact on margins as gaming produces the highest margins of the three revenue streams.

Slot revenues still trail year ago levels by 1.3%. We believe this is highly weather related as Alberta experienced one of the coldest, longest winters extending well into spring with numerous late season snowfalls. Table activity suffered as well falling 10% from the year earlier.

Corporate bookings for hotel and banquet services are returning as is evidenced by an overall 3.5% increase in hotel occupancy coupled with an increase in average room rates of \$2.79. F&B revenues climbed 9.3% in year over year comparisons as consumer confidence builds.

If we remove the impact of non-recurring costs incurred during the Quarter for corporate restructuring and conversion to IFRS and factor out the impact of the Acquisition, EBITDA margins fell only 1.4 percentage points to 46.3% for the Quarter versus the year earlier margin of 47.7%. The remaining reduction to EBITDA margin percentage is largely due to the change in the overall revenue stream mix to food and beverage sales and hotel room sales from gaming which produces the highest margin percentages.

Though we are still seeing some mixed and moderately lower results in year over year comparison, the gap has narrowed dramatically and continues to improve. We expect year over year growth to materialize but moderately. So, business is good.

Condensed consolidated interim statement of comprehensive income

In Canadian dollars

Note

(unaudited)

		three months ended March 31	
		2011	2010
Continuing operations			
Operating revenue			
Operating revenue		16,800,807	11,433,468
Cost of sales - other		(9,003,010)	(5,454,158)
Cost of sales - amortizations		(585,359)	(401,780)
Cost of sales		(9,588,369)	(5,855,938)
Gross profit (loss)		7,212,438	5,577,530
Other income		50,426	56,240
Administrative expenses - other		(813,072)	(583,991)
Administrative expenses - amortizations		(653,771)	(23,909)
Administrative expenses		(1,466,843)	(607,900)
Profit (Loss) from operating activities		5,796,021	5,025,870
Finance income		18,559	1,588
Finance costs		(1,420,719)	(2,273,001)
Fair value changes to Class B limited partnership units		-	(5,507,296)
Net finance costs	7	(1,402,160)	(7,778,709)
Profit (Loss) before income tax		4,393,861	(2,752,839)
Deferred tax (expense) recovery	4	293,364	(33,121)
Total comprehensive income (loss) for the period		4,687,225	(2,785,960)
Total comprehensive income (loss) attributable to:			
Owners of the Company		4,452,113	(2,785,960)
Non-controlling interests		235,112	-
Total comprehensive income (loss) for the period		4,687,225	(2,785,960)
Earnings per share			
Basic earnings per share (CAD)		0.211	(0.132)
Diluted earnings per share (CAD)		0.205	(0.132)

Accompanying notes are an integral part of the condensed consolidated interim financial statements

Gamehost has declared a cash dividend for the month of May 2011 of \$0.0733 per common share. The dividend will be paid on June 15, 2011 to shareholders of record on May 31, 2011. The ex-dividend date is May 27, 2011.

This dividend is considered an “Eligible Dividend” in accordance with Bill C-28 and, therefore, eligible for the enhanced gross-up and dividend tax credit available to shareholders.

Gamehost is a corporation established under the laws of the Province of Alberta. The Company's operations are all located in the Province of Alberta, Canada. Operations of the Company include the Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites hotel and a strip mall all located in Grande Prairie. The Company also holds a 91% ownership position in Deerfoot Inn & Casino Inc. in Calgary.

This press release may contain forward-looking statements. Forward-looking statements may contain words such as “anticipates”, “believes”, “could”, “expects”, “indicates”, “plans” or other similar expressions that suggest future outcomes or events. Use of these statements reflect reasonable assumptions made on the basis of management's current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

This press release is not a suitable source of information for readers who are unfamiliar with the Gamehost. Readers more familiar with the Company should not consider this press release a substitute for reading the financial statements and MD&A. Consolidated financial statements and MD&A, both current and historical, are available on the Company's website at www.gamehost.ca and will be filed in their entirety along with the Company's other continuous disclosure documents, when they are available, on SEDAR at www.sedar.com.

Gamehost common shares and convertible debentures trade on the Toronto Stock Exchange (TSX) under the symbols GH and GH.DB respectively.

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