

## GAMEHOST INCOME FUND

PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION

Symbol: GH.UN (TSX)  
February 17, 2010

### GAMEHOST INCOME FUND ANNOUNCES ITS INTENTION TO CONVERT TO A CORPORATION

**Gamehost Income Fund** ("**Gamehost**") (TSX: GH.UN) is pleased to announce that it has entered into an arrangement agreement (the "**Arrangement Agreement**") with Oncothyreon Inc. and certain of its subsidiaries (collectively, "**Oncothyreon**") pursuant to which Gamehost will convert from an income trust structure to a corporate structure pursuant to a Plan of Arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta).

The Arrangement is subject to various commercial conditions including, but not limited to, the consent to the Arrangement of Gamehost's lenders and the receipt of regulatory approvals including, but not limited to, the approval of the Toronto Stock Exchange. The Arrangement is also subject to the approval of the Court of Queen's Bench of Alberta and the approval of 66 $\frac{2}{3}$ % of the votes cast by the holders of units of Gamehost (the "**Gamehost Unitholders**") and the holders of class B limited partnership units of Gamehost Limited Partnership (the "**Gamehost LP Unitholders**") and collectively with the Gamehost Unitholders the "**Gamehost Securityholders**") voting together as a single class in person or by proxy at the security holder meeting called to approve the transaction (the "**Gamehost Meeting**"). The mailing of an information circular to the Gamehost Securityholders providing further details on the Arrangement is expected to occur in the middle of March 2010 with the Gamehost Meeting expected to be held in the middle of April 2010. The effective date of the Arrangement is expected to occur shortly following the Gamehost Meeting.

The key benefits of the Arrangement include:

- The Arrangement provides for an effective and efficient method of converting from a SIFT to a corporation consistent with the SIFT Rules.
- Upon completion of the Arrangement, Gamehost expects that the resulting corporation ("**Gamehost Inc.**") will make monthly dividend payments to holders ("**Gamehost Inc. Shareholders**") of shares of Gamehost Inc. ("**Gamehost Inc. Shares**") of \$0.0733 per Gamehost Inc. Share (i.e. \$0.8796 per Gamehost Inc. Share on an annualized basis) which is equal to the current monthly cash distribution per unit of Gamehost paid by Gamehost.
- On the payment of monthly dividends by Gamehost Inc., Canadian taxable Gamehost Inc. Shareholders will receive a dividend tax credit compared to the tax treatment of Gamehost's current monthly cash distributions to Canadian taxable Gamehost Unitholders as other income.
- The exchange of units of Gamehost ("**Gamehost Units**") and class B limited partnership units of Gamehost Limited Partnership ("**Gamehost LP Units**") for Gamehost Inc. Shares pursuant to the Arrangement is tax free for such holders based on the current rules for SIFT conversions.
- Gamehost's conversion to a corporation may result in greater access to capital and the removal of the "normal growth" and "undue expansion restrictions" in the SIFT Rules that limited Gamehost's ability to consider certain strategic acquisitions.
- Remaining as a public income trust would have diminished Gamehost's ability to raise capital in the future.
- Gamehost Inc. is expected to have improved liquidity resulting in higher trading volumes.
- Gamehost Inc. will be able to access certain tax free roll-over provisions under the *Income Tax Act* (Canada) that will assist in the structuring of acquisitions.

After completion of the conversion to a corporation pursuant to the Arrangement:

- Gamehost Inc. will become a high-yield, dividend paying corporation.
- Canadian taxable shareholders should benefit from lower income taxes paid on dividends of Gamehost Inc. compared to taxes previously paid on Gamehost's distributions.
- Gamehost Inc. will continue to operate Gamehost's existing businesses and will have an estimated aggregate tax basis of approximately \$165 million.
- The existing businesses of Oncothyreon will be carried on by Oncothyreon Inc. and its other current subsidiaries and Gamehost Securityholders will not have any interest in those businesses..

The estimated costs to be incurred by Gamehost with respect to the Arrangement and related matters including, without limitation, accounting, legal fees and costs for the preparation, printing and mailing of the required information circular and other related documents and agreements, are expected to aggregate approximately \$9.0 million, including \$600,000 via the issuance of Gamehost Units to Oncothyreon Inc.

Complete details of the terms and conditions of the Arrangement are set out in the Arrangement Agreement that will be filed by Gamehost on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **About Gamehost**

Gamehost is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta. Gamehost's activities are currently confined to the Province of Alberta, Canada. Gamehost's operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites and a strip mall all located in Grande Prairie. Gamehost is a 40% joint venture partner in Deerfoot Inn & Casino Inc. in Calgary.

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### **Forward Looking Information**

This press release contains certain forward-looking statements and forward-looking information ("forward-looking information") within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this press release includes forward-looking information relating to results of operations, dividends, taxes, plans and objectives, access to capital, liquidity and trading volumes, projected costs, business strategy and the anticipated benefits of the Arrangement. Gamehost believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to Gamehost, including information obtained from third party industry analysts and other third party sources and include the historic performance of Gamehost's businesses, current business and economic trends, completion of the Arrangement, currency, exchange and interest rates, trading data and cost estimates. You are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance and involves a number of risks and

uncertainties some of which are described herein. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause Gamehost's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. These risks and uncertainties include but are not limited to the risks identified in Gamehost's 2008 Annual Information Form under the heading "Risk Factors" and the risks associated with the availability and amount of the tax basis. Further, there can be no guarantee that the Arrangement. Any forward-looking information is made as of the date hereof and, except as required by law, Gamehost assumes no obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

*The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.*