



FOR RELEASE FOLLOWING MARKET CLOSE

March 17, 2009

Red Deer, Alberta, March 17, 2009 – Gamehost Income Fund (the “Fund”) (TSX: GH.UN)

GAMEHOST INCOME FUND – REPORTS 2008 FOURTH QUARTER FINANCIAL RESULTS

Management and trustees of Gamehost Income Fund (the “Fund”, “Gamehost”) present operating results of the Fund for the twelve months ended December 31, 2008 (the “Period”) and three months ended December 31, 2008 (the “Quarter”).

The economic globe is cooling and its winds are now blowing across Alberta as well. Revenues for the Period totaled \$55.6 million down 3.6% from \$57.6 million in 2007. Entering the Quarter we were nicely airing out from the impact of a provincial non-smoking storm at traditional casinos in Alberta. With the opening of our new Stampede Casino in June 2008 the year over year decline in total revenues of the Fund had been reduced to 3.4% from an earlier high of 5.5%. Then in November the wind turned. For the Quarter, revenues totaled \$14.3 million down 4.0% from \$14.9 million in 2007.

The high cost of startup of the new Stampede casino was a factor in lower Period margins. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the Period totaled \$24.9 million down 12.0% from \$28.4 million recorded the previous year. EBITDA for the Quarter totaled \$6.0 million down 17.7% from \$7.3 million recorded in Q4 2007. Year over year EBITDA margins were lower by 4.3% to 44.9% for the Period and lower by 7.0% to 42% for the Quarter. Margin deterioration for the Period was exacerbated by a challenging December. In a month where we ramp up staffing to accommodate the Christmas festive season the entire province was hit with a harsh extended cold snap and the usual foot traffic did not materialize. This was compounded by some untimely losses on table games. Both of these issues resulted in undue pressure on margins that should be isolated to the Quarter.

In December the Fund declared a special distribution of \$0.1674 per unit in addition to regular monthly distributions totaling \$0.8597 per unit for the Period for a total combined distribution per unit of \$1.0271. This compares to total per unit distributions of \$1.1567 for the 2007 calendar year or an 11% reduction in total distributions. The Fund’s payout ratio on Standardized Distributable Cash totaled 99.1% for the Year compared with 94.2% for 2007. A special distribution of the Fund was declared December 16th based on management’s projection of results to the end of December. A disappointing final two weeks resulted in a higher than projected payout ratio. Since inception Gamehost has averaged a 94.9% payout ratio on Standardized Distributable Cash. The Fund’s current rate of regular monthly distribution is set at \$0.0733 per unit. Given our current view of the economic horizon there is nothing to indicate the Fund’s ability to sustain distributions at this level will be impaired.

Our Ft. McMurray property, Boomtown Casino, enjoys ideal operating conditions and again posted record revenues and earnings for the Period. Continued growth in 2009 will be challenging, however, with announced deferrals of some major oil sands projects in the area.

Difficulties in Grande Prairie began in 2007 and continued into 2008. The forestry sector continues to suffer the effects of a fall out in USA residential construction activity. Canadian residential construction is

now also slowing. Forestry products from the Grande Prairie area depend on these markets. The introduction of non-smoking legislation on January 1, 2008 had an immediate adverse impact on our Great Northern Casino. On a broader scale, a provincial royalty review in 2008 resulted in increased royalty rates on oil & gas producers. This hit the natural gas industry when they were already suffering from low commodity prices. With oil prices now also tumbling on falling world demand Grande Prairie is feeling pressure on a number of fronts. Revenues were lower by some 15% from a year earlier with a 20% reduction in earnings. On a positive note, while still early into the 2009 operating year, Grande Prairie is seeing a moderate increase over a bottom reached in 2008. In addition to these early revenue results the property has made significant progress in trimming operating costs. Our Service Plus hotel in Grande Prairie has shown remarkable resilience given an additional 600 guest rooms added to the trading area during the year on top of reduced demand.

In addition to the same economic issues facing our properties elsewhere in the province, Calgary has two more: competition and competition that still offers smoking. We would otherwise have little to say about non-smoking except that the legislation does not apply to First Nations casinos. Clearly, when given a choice, a significant segment of the gaming public will choose a gaming venue that offers smoking over one that doesn't. This unfair advantage has hurt all traditional casino operators in Calgary not to mention the charitable groups supported by traditional casino operators. This is most apparent in year over year results for slot play at Deerfoot Inn & Casino which fell 30% from 2007. Total results at our Deerfoot Inn & Casino were assisted by strong hotel operations but still fell 14% for the Year from 2007. With two new casinos operating in Calgary over the number in 2007 a down turn in the economy was inopportune. Following the opening of a First Nations casino at the outset of 2008 the Fund, through a 20% participation in a joint venture, opened the new Stampede Casino in June of 2008. Gains at the new Stampede Casino have come slower than expected and are hard won. Early results into 2009 show promise. New marketing programs including a joint loyalty club with the Deerfoot Joint Venture are providing traction at both properties.

Consolidated Statements of Earnings and Comprehensive Income

	twelve months ended December 31		three months ended December 31	
	2008	2007	2008	2007
Revenue				
Hotel - rooming	\$ 8,388,939	\$ 8,627,579	\$ 2,064,243	\$ 2,078,365
Table games	7,995,889	8,055,372	1,914,623	2,045,494
Slot machines	21,714,095	23,289,647	5,448,615	5,897,451
Food and beverage services	12,355,089	12,490,930	3,632,964	3,551,157
Lease and rental	328,273	316,583	84,976	77,606
Other	4,782,678	4,839,793	1,163,654	1,261,677
	<u>55,564,963</u>	<u>57,619,904</u>	<u>14,309,075</u>	<u>14,911,750</u>
Expenses				
Cost of goods sold	3,942,862	4,066,786	1,146,800	1,126,508
Human resources	14,778,440	14,627,407	3,901,877	3,788,693
Marketing and promotions	2,702,653	2,209,816	721,149	600,308
Operating	7,048,562	6,349,269	1,876,817	1,599,386
Corporate and general administration	2,149,080	2,016,341	571,732	489,801
	<u>30,621,597</u>	<u>29,269,619</u>	<u>8,218,375</u>	<u>7,604,696</u>
Earnings before the following:	24,943,366	28,350,285	6,090,700	7,307,054
Interest charges	1,432,782	1,099,722	390,433	267,357
Future income taxes (recoveries)	(434,140)	2,234,822	(380,005)	(101,497)

Unrealized loss on fair valuation of financial assets and liabilities	189,495	-	189,495	-
Amortization of property, plant and equipment	2,300,187	2,244,094	679,005	582,993
Amortization of licenses	-	3,500,000	-	-
Earnings allocation to minority interest	10,504,534	9,435,528	2,551,720	3,210,941
Net earnings and comprehensive income	<u>\$ 10,950,508</u>	<u>\$ 9,836,119</u>	<u>\$ 2,660,052</u>	<u>\$ 3,347,260</u>
Earnings per unit, basic and fully diluted	<u>\$ 1.016</u>	<u>\$ 0.913</u>	<u>\$ 0.247</u>	<u>\$ 0.311</u>

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.

The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta. The Fund’s activities are currently confined to the Province of Alberta, Canada. 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. The Fund is also a 40% joint venture partner in the Deerfoot Inn & Casino in Calgary and a 20% joint venture partner in the new Stampede Casino in Calgary.

Complete consolidated annual financial statements and MD&A for the twelve and three months ended December 31, 2008 will be available March 17, 2009 on the company’s website at www.gamehost.ca and on SEDAR at www.sedar.com.

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