



FOR RELEASE FOLLOWING MARKET CLOSE

August 10, 2011

Red Deer, Alberta, August 10, 2011 – Gamehost Inc. ('Gamehost', the 'Company') (TSX: GH)

## **GAMEHOST ANNOUNCES Q2 2011 FINANCIAL RESULTS AND AUGUST DIVIDEND**

Management and Directors of Gamehost Inc. ("Gamehost", the "Company", the "Corporation", "Our") are pleased to present results for the six months ended June 30, 2011 (the "Period") and three months ended June 30, 2011 (the "Quarter").

Total revenues rose 17% to \$18.6 million for the Quarter from \$15.9 million one year earlier. Earnings before interest, taxes, depreciation and amortization ("EBITDA") that is attributable to owners of the Company rose 29% or \$1.8 million to \$8.2 million for the Quarter compared to \$6.4 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") has provided a substantial boost to comparable revenues and earnings. The Company's next quarter will be the first to compare a full three months of the additional Deerfoot contribution in prior year figures. EBITDA margin percentage rose by 5.6 percentage points to 46.3% for the Quarter versus 40.7% for the year earlier quarter. A one time adjustment to liabilities for outstanding TITO tickets and an adjustment to AGLC's formula for handling GST liabilities boosted the EBITDA margin for the Quarter.

We have been quietly going about our business of operating the most cost efficient enterprise possible during a time of significant uncertainty. Headline stories about the European debt crisis and an unthinkable reduction in the USA's credit worthiness foster uneasiness with the Alberta consumer in a still fragile economic recovery. Still, the consumer needs an opportunity for affordable enjoyment which we continue to offer day in and day out.

Since the end of Q3 2009 we have experienced a steady but modest trend in improved traffic and spending by both the corporate and retail consumer. We are optimistic that this trend can continue barring any new and unforeseen global turmoil.

During the Quarter we embarked on a number of refurbishing projects to maintain the appearance and comfort of our properties at the highest level. These types of highly visible improvements go a long way to improving the confidence of our customers and encourage return visits.

Investors received regular dividends throughout the Quarter while we were able to meet all of our debt service obligations and continue to build a surplus of cash.

We are optimistic about our current business and future opportunities. Management continues to explore options for growth that fit with our risk profile and that can add to our earnings.

**Condensed consolidated interim statement of comprehensive income**

*In Canadian dollars*

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	six months ended June 30		three months ended June 30	
	2011	2010	2011	2010
<b>Continuing operations</b>				
<b>Operating revenue</b>				
Operating revenue	35,419,484	27,344,732	18,618,677	15,911,264
Cost of sales - other	(18,362,341)	(13,563,466)	(9,359,331)	(8,109,309)
Cost of sales - amortization, depreciation	(1,176,642)	(957,268)	(591,283)	(555,488)
Cost of sales	(19,538,983)	(14,520,734)	(9,950,614)	(8,664,797)
<b>Gross profit (loss)</b>	15,880,501	12,823,998	8,668,063	7,246,467
Other income	111,383	120,142	60,958	63,902
Administrative expenses - other	(1,573,765)	(1,901,804)	(760,694)	(1,317,813)
Administrative expenses - amortization, depreciation	(1,327,137)	(34,462)	(673,366)	(10,553)
Administrative expenses	(2,900,902)	(1,936,266)	(1,434,060)	(1,328,366)
Gain(loss) on revaluation of assets	-	27,083,015	-	27,083,015
<b>Profit (Loss) from operating activities</b>	13,090,982	38,090,889	7,294,961	33,065,018
Finance income	39,380	24,855	20,822	23,268
Finance costs	(2,828,215)	(5,548,027)	(1,407,496)	(3,275,026)
Fair value changes to Class B limited partnership units	-	(6,720,768)	-	(1,213,472)
<b>Net finance costs</b>	(2,788,835)	(12,243,940)	(1,386,674)	(4,465,230)
<b>Profit (Loss) before income tax</b>	10,302,147	25,846,949	5,908,287	28,599,788
Deferred tax (expense) recovery	(1,102,892)	3,413	(1,396,256)	36,534
<b>Total comprehensive income (loss) for the period</b>	9,199,255	25,850,362	4,512,031	28,636,322
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the Company	8,635,080	25,665,937	4,182,966	28,451,897
Non-controlling interests	564,176	184,425	329,064	184,425
<b>Total comprehensive income (loss) for the period</b>	9,199,256	25,850,362	4,512,030	28,636,322
<b>Earnings per share</b>				
Basic earnings per share (CAD)	0.409	1.216	0.198	1.348
Diluted earnings per share (CAD)	0.400	1.144	0.195	1.159

Gamehost has declared a cash dividend for the month of August 2011 of \$0.0733 per common share. The dividend will be paid on September 15, 2011 to shareholders of record on August 31, 2011. The ex-dividend date is August 29, 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](http://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](http://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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