



FOR RELEASE FOLLOWING MARKET CLOSE

August 14, 2008

GAMEHOST INCOME FUND – REPORTS 2008 SECOND QUARTER FINANCIAL RESULTS

Red Deer, Alberta, August 14, 2008 – Gamehost Income Fund (the “Fund”) (TSX.V: GH.UN)

Management and Trustees of Gamehost Income Fund (the “Fund”) are pleased to report results for the three months ended June 30, 2008 (the “Quarter”). Results for the Quarter were mixed. Quarter over quarter growth was provided by eleven operating days of the new Stampede Casino, otherwise revenues were lower year over year. The gaming and hospitality industries are working their way through changes in the general business environment. Non-smoking legislation enforced as of January 1, 2008, a tempering of the hot Alberta energy sector and inflationary factors have combined to create a few pot holes that need to be negotiated.

Revenues for the Quarter totaled \$13.5 million down 5.6% from the \$14.3 million posted in Q2 2007 but up 1.6% from the previous quarter when revenue totaled \$13.3 million. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the Quarter totaled \$6.3 million down 11.0% from \$7.1 million recorded in Q2 2007 and flat to the previous quarter. EBITDA margins for the Quarter fell to 46.7% off 2.9% from the near record 49.5% a year earlier and off 0.6% from 47.2% in the previous quarter. These results include the Fund’s participating share of eleven days of operations from the new Stampede Casino and all pre-opening costs for the new property.

The Fund’s regular monthly distributions were increased by 10% during the Quarter. The Fund made consistent payments at the higher rate of \$0.0733 per unit throughout the Quarter. Investors should be confident in the sustainability of this higher rate especially as the new Stampede Casino achieves profitability.

The new Stampede Casino had a smooth opening on June 19, 2008 and then fifteen days to ‘warm up’ before the ten day Calgary Exhibition & Stampede. Early results are favourable. It will take a number of months before we understand what a normal month at the facility looks like. Similar to our experience opening the Deerfoot Inn & Casino we will continue to adjust our marketing efforts and product offering to appeal to what is quite clearly a different customer base within the same city. The addition of a 20% stake in the Stampede Joint Venture will help put the Fund back onto the revenue growth path we are accustomed too. We are excited about this new property and it’s potential. Immediately next door to the new Stampede Casino, the Exhibition is nearing completion of an expansion to its trade and convention space and talks continue on the timing for development of a hotel adjacent to the new Stampede Casino.

Quarterly results were mixed at the rest of the Fund’s properties. With the exception of Fort McMurray, a general trend is emerging consistent with signals in the broader Canadian economy. Customers are scaling back on discretionary expenditures. Gloomy media coverage on the state of local and world economies and talk of inflation is hard to tune out. This message gets reinforced every time Albertan’s fill up their vehicles. Alberta is not immune from the inflationary factors impacting other economic areas of the country. We see this in stays at our northern hotel, gaming traffic through our casinos and spending at our food and beverage outlets.

Grande Prairie has been the hardest hit. The city and surrounding areas have a large dependence on the forestry and forest products industry which is suffering from the collapse of the USA home building industry. Oil and predominantly natural gas also play a major role in the lives of consumers in the region. Uncertainty in this sector caused by volatile commodity prices and the recent review of royalties paid to energy producers, have slowed the sectors activities in the region significantly. Sentiments in the energy industry have turned more optimistic of late with improvements to the price of natural gas. Activity is picking up and is expected to continue to do so into the last half of the year.

The Deerfoot hotel in is a bright spot in the Calgary market. Occupancies and revenues continue to grow. Spending at the Deerfoot on food and beverage service is flat year over year. Gaming activities at the property have suffered from the general cautionary spending described earlier, but also from the opening of a First Nations casino on the western edge of the city. While we generally view the recent conversion to non-smoking as a non-issue at this point, it does factor into the equation in Calgary because smoking is still allowed on First Nations reserves. As a member of the Casino Operators Association of Alberta we are pursuing remedies to what we view as an unlevel playing field.

The commitment to world scale projects in the oil sands provides the Fort McMurray area with stability difficult to locate elsewhere in today's economic environment. Planned and ongoing projects in the area are measured in decades and billions of dollars. Our Boomtown casino quickly dispensed with any fallout from a switch to non-smoking and returned to the growth curve just two quarters following its implementation. Revenue and EBITDA records were set yet again for the property during this most recent Quarter.

In April 2008 the Fund's units were split three for one in anticipation of a graduation from the Toronto Stock Exchange Venture Exchange ("TSX-V"). The first day of trading for units of the Fund on the larger Toronto Stock Exchange ("TSX") was May 16, 2008. We expect these moves to be advantageous for our investors in improved liquidity and greater exposure of the Fund in the market.

There are future benefits to the new economic reality we are operating in. Instead of our former preoccupation with growth we have taken a hard look at expenses and have discovered efficiencies sustainable even into the next growth phase. We want to take this opportunity to thank our property management for their commitment to this exercise. We can be optimistic about the last half of the year as a result.

Interim Consolidated Statements of Earnings and Comprehensive Income

(unaudited)

	six months ended June 30		three months ended June 30	
	2008	2007	2008	2007
Revenue				
Hotel - rooming	\$ 4,059,708	\$ 4,281,505	\$ 1,989,333	\$ 2,044,209
Table games	3,760,591	4,081,739	1,850,307	1,997,931
Slot machines	10,720,768	11,437,869	5,537,314	5,952,085
Food & beverage services	5,797,491	6,098,721	2,901,747	3,019,690
Lease and rental	163,705	159,318	79,545	79,659
Other	2,375,516	2,369,121	1,186,528	1,251,424
	26,877,779	28,428,273	13,544,774	14,344,998
Expenses				
Cost of goods sold	1,832,194	2,017,179	919,424	1,001,412
Human resources	6,980,980	7,224,458	3,510,031	3,695,458
Marketing and promotions	1,224,584	1,050,673	672,529	586,632
Operating	3,160,904	3,071,948	1,637,533	1,550,182
Corporate and general administration	1,055,198	953,402	481,121	404,982
	14,253,860	14,317,660	7,220,638	7,238,666

Earnings before the following:	12,623,919	14,110,613	6,324,136	7,106,332
Interest charges	661,521	549,134	358,025	284,922
Future income taxes	(97,224)	-	(121,091)	-
Amortization of property, plant and equipment	1,002,452	1,107,401	500,994	553,701
Earnings allocation to minority interest	5,413,665	6,097,601	2,735,045	3,068,713
Net earnings and comprehensive income	<u>\$ 5,643,505</u>	<u>\$ 6,356,477</u>	<u>\$ 2,851,163</u>	<u>\$ 3,198,996</u>
Earnings per unit, basic and fully diluted	<u>\$ 0.524</u>	<u>\$ 0.590</u>	<u>\$ 0.265</u>	<u>\$ 0.297</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 interim financial statements and MD&A for the three months ended June 30, 2008 will be available August 14, 2008 on the company’s website at www.gamehost.ca and on SEDAR at www.sedar.com.

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