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Attention Business/Financial Editors:

Gateway Casinos Income Fund

TRADING SYMBOL: The Toronto Stock Exchange – TSX: GCI.UN

NEW WORLD GAMING TO OFFER TO ACQUIRE GATEWAY CASINOS INCOME FUND FOR C\$25.26 PER UNIT

- Offer represents 25.7% premium to closing price on April 2, 2007 -

Burnaby, B.C. and Sydney, Australia – Gateway Casinos Income Fund (the “Fund” or “Gateway”) (TSX:GCI.UN), one of the largest casino operators in Western Canada, today announced that it has entered into a support agreement (the “Agreement”) with New World Gaming Partners Ltd. (“New World Gaming”), a joint venture owned by Publishing and Broadcasting Limited (“PBL”) and Macquarie Bank Limited (“Macquarie”), providing for the acquisition by New World Gaming of all of the outstanding units of the Fund.

Under the terms of the agreement, New World Gaming will offer (the “Offer”) to acquire all of the outstanding units of the Fund by way of a take-over bid at a price of C\$25.26 per unit in cash, representing an aggregate price of approximately C\$800 million. This price represents a premium of 25.7% based on the C\$20.10 closing price for the Fund units on the Toronto Stock Exchange on April 2, 2007 and a 37.8 % premium to the 90-day volume-weighted average unit price. In addition to the acquisition of the outstanding units of the Fund, New World Gaming will make a concurrent take-over bid for the Fund’s 5.35% convertible debentures at a price of C\$1,322.51 per C\$1,000 principal amount of debentures. Collectively the transaction ascribes an aggregate enterprise value to the Fund as at December 31, 2006 of approximately C\$886 million.

Certain of Gateway’s unitholders (the “GCI Unitholders”), including certain of Gateway’s trustees and senior officers, holding approximately 31.4% of the Fund’s fully diluted units, have agreed to support the Offer and tender their units to the bid.

The Board of Trustees of Gateway, based upon the unanimous recommendation of a Special Committee of the Board of Trustees, has unanimously recommended that unitholders accept the Offer and that the convertible debenture holders accept the offer being made by New World Gaming for such debentures. In its consideration of this matter, the Special Committee received advice from its legal advisor, Lawson Lundell LLP, and its financial advisor, RBC Capital Markets (“RBC”). RBC has rendered an opinion to the Special Committee that the consideration per unit offered pursuant to the Offer is fair, from a financial point of view, to unitholders other than the GCI Unitholders and that the consideration offered for the convertible debentures is fair, from a financial point of view, to the holders of Gateway convertible debentures.

“This all-cash offer represents exceptional value for unitholders and an immediate and substantial premium to the recent trading price,” said Dave Gadhia, Chief Executive Officer of Gateway Casinos G.P. Inc. “It also presents an opportunity to capitalize on the strong current interest in the

North American gaming market. Members of the Board of Trustees and senior management fully support this offer as we firmly believe it is beneficial to all our stakeholders.”

“Our management team and Board of Trustees, in conjunction with our external advisors, conducted a detailed and highly competitive strategic alternative review process with the aim of maximizing value for Fund unitholders,” said Raymond McLean, Chairman of the Board of Trustees of the Fund. “The end result of that process is an offer from New World Gaming that is both the highest and the most compelling from a strategic point of view.”

The Agreement between the Fund and New World Gaming provides for, among other things, a non-solicitation covenant on the part of the Fund, subject to customary “fiduciary out” provisions that entitle the Fund to consider and accept a superior proposal, a right in favour of New World Gaming to match any superior proposal and the payment to New World Gaming of a termination payment of approximately C\$24 million if the transaction is not completed as a result of the superior proposal and in certain other circumstances. A copy of the Agreement will be made available on SEDAR at www.sedar.com.

Under the agreement with New World Gaming, the Fund will continue to pay its regular monthly cash distribution to Fund unitholders of C\$0.125 per unit until the expiry of the Offer, including a pro-rata distribution for any partial monthly period.

“What New World Gaming offers Gateway as a gaming operator and investor is very exciting. PBL is recognized as one of the world’s leading gaming and entertainment companies with a history of innovation and success in Australia and Asia,” added Mr. Gadhia. “Macquarie is known around the world as a responsible owner and manager of important community assets, including in British Columbia and Alberta. Most importantly, both companies have reputations for operating with integrity, transparency and in partnership with government and regulatory bodies.”

Rowen Craigie, CEO of PBL Gaming and President of New World Gaming, said, “We see Gateway as a great opportunity in the North American gaming sector. The company has an established track record of offering its customers a high quality gaming and entertainment experience across its nine casinos in British Columbia and Alberta. We look forward to working with Dave Gadhia, his management team and the employees of Gateway to build on that track record and bring additional new ideas and services to customers over time,” he said.

“PBL Gaming is a recognized industry leader in responsible gaming practices and management, and looks forward to working closely with both the British Columbia Lottery Corporation and Alberta Gaming and Liquor Commission to achieve best practice in this area,” added Mr. Craigie.

The Offer will be subject to certain conditions, including acceptance of the Offer by holders of at least 66 2/3% of the outstanding units of the Fund. The transaction is also subject to regulatory approvals, including from the BC Gaming Policy and Enforcement Branch, the British Columbia Lottery Corporation, and the Alberta Gaming and Liquor Commission as well as receipt of certain third party consents.

The take-over bid circular, containing the full terms of the Offer, will be mailed to the Fund's unitholders together with the Board of Trustee's circular and other related documents in connection with the offer to acquire the units and convertible debentures ("Offering Documents"). The Offering Documents are expected to be mailed by late April, 2007. The proposed transaction

is expected to close late second quarter or early third quarter, 2007, assuming all necessary regulatory approvals are obtained.

New World Gaming has also entered in a separate transaction to acquire substantially all of the assets of Gateway Casinos Inc. (“GCI”), which operates the Baccarat Casino in Edmonton, Alberta, and all of the outstanding shares of Star of Fortune Gaming Management (B.C.) Corp. (“SOF”) (50% owned by GCI), which operates the Royal City Star Casino and is developing the Starlight Casino, both in Greater Vancouver, B.C. GCI and SOF are privately held companies whose operations are managed by Gateway. Gateway has a right of first offer over all of GCI’s operations, including its 50% stake in SOF.

All of these transactions, including associated fees and expenses, have an aggregate enterprise value of approximately C\$1.37bn. The transactions will be financed through a combination of equity financing and newly acquired debt.

CIBC World Markets Inc. is acting as financial advisor and Farris, Vaughan, Wills & Murphy LLP is acting as legal counsel to the Fund. Macquarie North America Ltd. is acting as financial advisor and Gowlings LLP is acting as legal counsel to New World Gaming.

Conference Call

Gateway will host a conference call tomorrow (Wednesday, April 4, 2007 at 8:00 a.m. ET) to discuss the transaction. To access the conference call by telephone, dial 416-695-9719 or 1-800-769-8320. Please connect approximately five minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay until April 11, 2007 at midnight. To access the archived conference call, dial 416-695-5275 or 1-888-509-0081 and enter the reservation number 642767. A live audio webcast of the conference call will be available at www.gatewaycasinosincomefund.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at the above web site for 30 days.

About the Fund

The Fund is an unincorporated, open-ended limited purpose trust established under the laws of British Columbia, which operates the Burnaby Casino and Cascades Langley Casino and Hotel in Greater Vancouver, BC, the Palace Casino in Edmonton, Alberta and the Lake City Casinos in Kamloops, Kelowna, Penticton and Vernon, BC. Headquartered in Burnaby, BC, the Fund is one of the largest casino operators in Western Canada.

About New World Gaming

New World Gaming is a 50/50 joint venture between wholly owned subsidiaries of Publishing and Broadcasting Limited and Macquarie Bank Limited.

About PBL

Publishing and Broadcasting Limited (PBL) is one of Australia’s largest diversified media and entertainment groups. Its market capitalization of approx C\$12bn and annual revenues of C\$3.3bn places it among the top 25 companies listed on the Australian Stock Exchange.

Led by Executive Chairman James Packer, the group’s core businesses are: Gaming and entertainment; Television production and broadcasting; Magazine publishing and distribution; and Strategic investment in key digital media and entertainment businesses.

PBL's gaming and entertainment assets include:

- Crown Entertainment Complex – Melbourne, Australia
- Burswood International Resort and Casino – Perth, Australia
- Melco PBL Entertainment (Macau) Ltd (approx 41% stake). MPEL holds one of only six licences to operate casinos in Macau, China and currently has 3 casinos under development and a portfolio of slot halls in Macau
- UK casino joint venture with Aspinall's Group – 50% stake

About Macquarie

The Macquarie Group is a diversified international provider of specialist investment, advisory, trading and financial services in select markets around the world with over C\$163 billion of total assets under management (as of December 31, 2006). Headquartered in Sydney, Australia, the Macquarie Group comprises Macquarie Bank, the leading Australian investment bank, and its worldwide affiliated entities. Macquarie Bank is a top 15 company listed on the Australian Stock Exchange with a market capitalization of over C\$17 billion. The Macquarie Group employs over 10,000 people in 24 countries.

Macquarie's Investment Banking Group currently has over 100 executives worldwide working in its Telecommunications, Media, Entertainment & Technology (TMET) industry group. Since 2002, Macquarie has led, sponsored and invested in a range of TMET sector transactions with a combined enterprise value of over C\$8 billion.

The Macquarie Group has operated in Canada since 1998 and today has offices located in Vancouver, Toronto, Calgary, Winnipeg and Montreal employing over 200 employees across a range of businesses.

Forward-Looking Statements

This press release may contain forward-looking statements which reflect management's expectations regarding the future opportunities, growth, results of operations, performance and business prospects of the Fund and its subsidiaries. Forward looking statements typically contain words such as "anticipates", "believes", "continue", "could", "expects", "indicates", "plans", "will", "intends", "may", "would" or similar expressions suggesting future outcomes or events, although not all forward-looking statements contain these identifying words. Examples of such statements include, but are not limited to, statements concerning: (i) New World Gaming's intention to offer to acquire the outstanding units of the Fund; (ii) New World Gaming's intention to offer to acquire the Fund's outstanding convertible debentures; (iii) the intention of Gateway's Board of Trustees to recommend that security holders support the offers; (iv) the intentions of certain of the Fund's unitholders to tender to the bid; (v) the payment of cash distributions to unitholders until close of the transaction; (vi) the mailing of offering documents to unitholders; (vii) the expected closing date of the transaction; and (viii) the acquisition of the assets of Gateway Casinos Inc. and the shares of Star of Fortune Gaming Management (B.C.) Corp.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties, and the Fund cautions readers not to place undue reliance on these statements as a number of importance factors could cause the Fund's actual results to differ materially from the beliefs, outlooks, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. The forward-looking statements

contained herein are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. The Fund undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances. Readers are directed to the Fund's most recent annual information form filed on SEDAR at www.sedar.com for a discussion of the risks and uncertainties facing the Fund.

For further information, please contact:

Gateway Casino Income Fund

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To find out more about Gateway Casinos Income Fund (TSX: GCI.UN), visit our website at <http://www.gatewaycasinosincomefund.com>