



**PREMIUM INCOME CORPORATION
ANNOUNCES NORMAL COURSE ISSUER BID**

Toronto, October 17, 2014: Premium Income Corporation (TSX:PIC.A and PIC.PR.A) (the “Fund”) has filed a Notice of Intention to make a normal course issuer bid to purchase up to 974,926 Class A Shares and 974,926 Preferred Shares representing approximately 10% of the public float of 9,749,268 Class A Shares and 9,749,268 Preferred Shares, as of September 30, 2014. The Fund may purchase up to 194,985 of each respective class of shares in any 30 day period which is 2% of the 9,749,268 shares issued and outstanding of each respective class as at September 30, 2014.

The shares may be purchased for cancellation from October 22, 2014 to October 21, 2015 through the facilities of the TSX or other eligible alternative market and may only be purchased together as a Unit (consisting of one Class A Share and one Preferred Share) at a price per share not exceeding the last published net asset value per Unit. The Directors of the Fund believe that such purchases are in the best interest of the Fund and are a desirable use of its available funds. The Fund has not purchased any Class A Shares or Preferred Shares during the previous year pursuant to any issuer bid.

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172 or visit www.strathbridge.com.

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