



## Mulvihill Premium Canadian Bank

**PIC.A**  
**PIC.PR.A**

**Press Release**

### Announces Normal Course Issuer Bid

**Toronto, August 18, 2009:** Premium Income Corporation, which operates as Mulvihill Premium Canadian Bank Fund (the "Fund"), is pleased to announce that today, the Toronto Stock Exchange has accepted its Notice of Intention to make a normal course issuer bid. The Fund will have the right to purchase under the bid up to a maximum of 1,515,673 Class A Shares and 1,515,673 Preferred Shares (respectively representing approximately 10% of the Fund's public float of 15,156,729 Class A Shares and 15,156,729 Preferred Shares, both as of August 13, 2009), together in units (each consisting of one Class A Share and one Preferred Share), commencing August 20, 2009. The Fund may not purchase more than 304,631 of its units (representing approximately 2% of the Fund's 15,231,529 issued and outstanding Class A Shares and approximately 2% of the Fund's 15,231,529 issued and outstanding Preferred Shares, both as of August 13, 2009) in any 30-day period under the bid. Purchases made pursuant to the normal course issuer bid will be made in the open market through the facilities of the Toronto Stock Exchange. The normal course issuer bid will remain in effect until the earlier of August 19, 2010, the termination of the bid by the Fund or the Fund purchasing the maximum number of units permitted under the bid. Class A Shares and Preferred Shares purchased by the Fund pursuant to the issuer bid will be cancelled. The Fund has not purchased any Class A Shares or Preferred Shares during the previous year pursuant to any issuer bid.

Directors of the Fund believe that units of the Fund may become available during the proposed purchase period at prices that would make such purchases in the best interests of the Fund.

The Fund's investment portfolio is managed by its investment manager, Mulvihill Capital Management Inc. The Fund's Class A Shares and Preferred Shares are listed on the Toronto Stock Exchange under the symbols PIC.A and PIC.PR.A respectively.

For further information, please contact:

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**John Germain, Senior Vice President**

**For Release August 18, 2009**

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