

BURNABY, BC, Nov. 4, 2013 /PRNewswire/ - **Gateway Casinos & Entertainment Limited ("Gateway" or "Company")** announced today that it has commenced a cash tender offer (the "Tender Offer") to purchase any and all of its C\$170,000,000 outstanding aggregate principal amount of 8.875% Second Priority Senior Secured Notes due 2017 (the "Notes"). In conjunction with the Tender Offer, Gateway is also soliciting consents (the "Consents") for certain proposed amendments (the "Proposed Amendments") to the indenture governing the Notes (the "Indenture") that would eliminate most of the restrictive covenants and certain of the events of default contained in the Indenture, release the guarantees of the guarantors under the Indenture and release all of the collateral securing the obligations of the Company and the guarantors under the Notes and related guarantees (the "Consent Solicitation" and, together with the Tender Offer, the "Offer").

The Tender Offer is scheduled to expire at 11:59 p.m., New York City time, on December 3, 2013, unless extended by Gateway (the "Expiration Time"). Tendered Notes may be withdrawn and the related Consents revoked at any time on or prior to 5:00 p.m.

New York City time, on November 18, 2013 (the "Withdrawal Deadline"), but not thereafter. Holders may not tender their Notes without delivering their Consents pursuant to the Consent Solicitation and may not deliver Consents without tendering their Notes pursuant to the Offer.

Holders who validly tender (and do not validly withdraw) Notes and deliver their Consents at or prior to 5:00 p.m., New York City time, on November 18, 2013 (unless extended or earlier terminated by the Company) (the "Early Tender Deadline") will receive total consideration of C\$1,066.56 per C\$1,000 principal amount of Notes (the "Total Consideration"), which includes an amount of cash equal to C\$30.00 per

C\$1,000

principal amount of Notes so tendered and accepted for purchase (the "Early Tender Premium"). Holders who validly tender (and do not validly withdraw) Notes and deliver their Consents after the Early Tender Deadline but at or prior to the Expiration Time, and whose Notes are accepted for purchase, will be eligible to receive the Total Consideration less the Early Tender Premium (the "Tender Offer Consideration"). On a business day we select following the Early Tender Deadline and satisfaction or waiver of the conditions to the Offer, Gateway intends to accept for purchase Notes validly tendered and not subsequently withdrawn (the "Initial Settlement Date"). The Initial Settlement Date will be determined by Gateway and is currently expected to occur concurrently with the closing of certain potential refinancing transactions in which Gateway intends to negotiate and enter into secured financing arrangements to be denominated in Canadian dollars in a currently expected aggregate principal amount of approximately C\$510.0 million

(the entering into of such financing arrangements, the "Refinancing Transaction"), which may consist of one or more new issuances of second priority senior secured notes (the "New Notes") and an amendment and restatement of Gateway's existing senior secured credit facility consisting of a revolving credit facility and term loan facilities. The Refinancing Transactions are more fully described in the Offer to Purchase and Consent Solicitation Statement delivered to holders of Notes. Promptly after the Expiration Time, subject to the satisfaction or waiver of conditions to the Offer, Gateway intends to accept for purchase Notes validly tendered after the Early Tender Deadline but at or prior to the Expiration Time (the "Final Settlement Date"). Holders whose Notes are purchased in the Offer will receive accrued and unpaid interest in respect of their purchased Notes from the last interest payment date to, but not including, the applicable settlement date.

Description of	Notes	CUSIP	ISIN	Out
8.875% Second Priority	Secured Notes due	CA06760BAB59	C\$170,000,000	C\$1

(1) Per C\$1,000 principal amount of Notes accepted for purchase. Excludes accrued and unpaid interest.(2) Includes the Early Tender Premium.

The Offer is conditioned upon: (i) receiving the requisite Consents for the Proposed Amendments, (ii) the successful consummation of the Refinancing Transactions, and (iii) other customary conditions, in each case as described and set forth in the Offer to Purchase and Consent Solicitation Statement.

Gateway reserves the right to waive any and all conditions to the Offer and Consent Solicitation. Gateway will not be required to pay any Early Tender Premium in connection with the Offer and Consent Solicitation unless the Notes are tendered and Consents are received at or prior to the Early Tender Deadline and Gateway shall have accepted the Notes for purchase

pursuant to the Tender Offer.

The principal purpose of the Offer is to acquire any and all outstanding Notes and to implement the Proposed Amendments.

Gateway has engaged TD Securities Inc. to act as Dealer Manager for the Offer, CST Phoenix Advisors to act as Information Agent for the Offer and Computershare Investor Services Inc. to act as Depositary for the Offer. Questions regarding the terms of the Tender Offer and Consent Solicitation may be directed to TD Securities Inc. at (416) 982-2243 (collect). Questions regarding procedures for tendering Notes and delivering Consents or requests for documentation may be directed to CST Phoenix Advisors at (800) 833-2158 (toll free) or (201) 806-2222 (banks and brokers) and Computershare Investor Services Inc. at (800) 564-6253 (toll free) or (514) 982-7555 (collect).

This press release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, or the solicitation of tenders or consents with respect to, any security. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such an offer, solicitation, or sale would be unlawful. The Offer is being made solely pursuant to the Offer to Purchase and Consent Solicitation Statement and related documents.

This press release shall not constitute an offer to sell the New Notes, if any, or the solicitation of an offer to buy the New Notes, if any, nor shall there be any sale of New Notes in any state or jurisdiction where such offer, solicitation or sale is not permitted. The New Notes, if any, will not be qualified for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of New Notes in Canada will be made on a basis that is exempt from the prospectus requirement of such securities laws. The New Notes, if any, will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and state securities laws.

The Gateway portfolio of gaming properties includes Grand Villa Casino Hotel & Conference Centre in Burnaby, Starlight Casino in New Westminster, Cascades Casino Hotel & Convention Centre in Langley, Lake City Casinos in

Vernon

,
Kamloops

,
Kelowna

and

Penticton

, Baccarat Casino and Palace Casino in
Edmonton

, and Community Gaming Centres in
Mission

,
Squamish

and

Surrey

Certain statements contained in this press release contain "forward-looking information" pursuant to U.S. and Canadian securities laws ("forward-looking statements"). Forward-looking statements relate to future events or the Company's future performance, including the completion of the Offer and Consent Solicitation and the Refinancing Transactions. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. These forward-looking statements may be affected by the risks and uncertainties in the Company's business. Important factors potentially affecting performance include but are not limited to the possibility that the Offer and Consent Solicitation will not be consummated; any failure to satisfy or waive any condition to the Offer and Consent Solicitation, including the financing condition; the level of participation by Holders in the Offer and the receipt of Consents sufficient to effect the Proposed Amendments; the ability of the Company to complete the Refinancing Transactions; the highly competitive nature of the gaming industry; economic and competitive conditions in the regions we operate in; changes to the regulatory regime governing our business; our ability to renew the contracts governing our gaming operations; our ability to obtain new casino licenses; wage and/or benefit increases resulting from new collective bargaining agreements, or our inability to reach an agreement with unions; our ability to renew lease agreements for our properties; potential undiscovered liabilities and capital expenditures associated with acquisitions; the impact of liquor laws and associated liquor licenses in British Columbia and Alberta; current global economic conditions; damage or service interruptions to our technology services and electrical power; volatility in our hold percentage (the ratio of net win to total amount wagered); the existence of a fair value impairment in a business segment; our ability to grow through the acquisition, location, relocation and development of new gaming operations; operating risks common to the hotel business; changes to our customer base; players in our casinos committing fraud or

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cheating; new municipal restrictions or prohibitions; our potential liability arising from litigation related to our business; our ability to obtain adequate insurance to cover all risks incident to our business; our ability to support expanding operations with existing systems; a loss of management and other key personnel; and The Catalyst Capital Group Inc.'s control of the Company. Any forward-looking statements speak only as of the date of this press release, and the Company assumes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date of this press release except as required by applicable securities laws

SOURCE Gateway Casinos & Entertainment Limited