



**PREMIUM INCOME CORPORATION FILES
FINAL PROSPECTUS FOR WARRANT OFFERING**

Toronto, Ontario, April 28, 2011 – (TSX: PIC.A; PIC.PR.A) – Premium Income Corporation (the “Fund”) is pleased to announce that it has filed a final short form prospectus relating to an offering of Warrants to holders of its Class A Shares. Each Shareholder of record on May 6, 2011 will receive one Warrant for each Class A Share held.

Two Warrants will entitle the holder to acquire one Class A Share and one Preferred Share upon payment of the subscription price of \$23.65. The Toronto Stock Exchange has conditionally approved the listing of the Warrants under the symbol PIC.WT and the Class A Shares and the Preferred Shares issuable upon the exercise thereof. It is expected that the Warrants will commence trading on May 9, 2011 and will remain trading until noon (EST) on the expiry date of December 15, 2011. Warrants may be exercised only on the expiry date.

The exercise of Warrants by holders will provide the Fund with additional capital that can be used to take advantage of attractive investment opportunities and is also expected to increase the trading liquidity of the Class A Shares and the Preferred Shares and to reduce the management expense ratio of the Fund.

The Fund invests in a portfolio consisting principally of common shares of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada and The Toronto-Dominion Bank (the “Banks”). To generate additional returns above the dividend income earned on the Fund’s portfolio, the Fund may from time to time write covered call options in respect of some or all of the common shares in the Fund’s portfolio. The Fund may also, from time to time, write cash-covered put options in respect of securities in which the Fund is permitted to invest. The manager and investment manager of the Fund is Mulvihill Capital Management Inc.

For further information, please contact Investor Relations at 416.681.3900, toll free at 1.800.725.7172 or visit www.mulvihill.com.

John Mulvihill, President and CEO
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A member of the Mulvihill Capital Management Inc. Group of Funds

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This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from Mulvihill Capital Management Inc. at the address, telephone numbers, website and e-mail address set forth above. Investors should read the prospectus before making an investment decision.

Commissions, trailing commissions, management fees and expenses all may be associated with investments in investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.