



**PREMIER CANADIAN INCOME FUND
MERGER WITH
FIRST PREMIUM INCOME TRUST**

Toronto, Ontario, July 7, 2010 (TSX: PCU.UN, FPI.UN) – Premier Canadian Income Fund (“PCU”) is announcing a change in the exchange ratio to be used in connection with its previously-announced merger with First Premium Income Trust (“FPI”). The merger was approved at a special meeting of unitholders of each fund on June 4, 2010 and has been completed with a June 30, 2010 effective date.

The exchange ratio is used to determine the number of units of PCU, the continuing fund, to which each holder of units of FPI is entitled to receive in connection with the merger. The exchange ratio is calculated by reference to the relative net asset values of the units of the funds at the close of trading on June 29, 2010. On June 30, 2010, PCU announced an exchange ratio that, due to a recalculation of the net asset value per unit of each fund, has been subsequently recalculated. The table below sets forth the recalculated net asset value per unit of each fund as of June 29, 2010 and the resultant exchange ratio that has also been recalculated.

Premier Canadian Income Fund - net asset value per unit	\$4.4166
First Premium Income Trust - net asset value per unit	\$10.4793
Exchange Ratio	<hr/> 2.372708

As a result, each unit of FPI entitles the holder thereof to 2.372708 units of PCU.

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

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