

Citadel Income Fund Announces Warrant Offering

TORONTO, ONTARIO-(CNW) – September 27, 2011 – Citadel Income Fund (the "Fund") is pleased to announce that it has filed the final short form prospectus relating to its warrant offering. Each Unitholder of record on October 7, 2011 will receive one new warrant (a "Warrant") for each unit held. Each Warrant will entitle the Unitholder to purchase a new unit upon payment of the subscription price of \$4.00 (which is 90% of the closing price of the units on the TSX on September 22, 2011). Warrants may be exercised at any time before the earlier of i) March 8, 2012 or ii) such date which is 20 Business Days from the date the embedded call feature in the Warrants is exercised by the Fund in accordance with the terms of the Warrant offering. A copy of the final Warrant offering prospectus has been filed on SEDAR at www.sedar.com.

The exercise of Warrants by warrantholders (the "Warrantholders") 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 Fund's units and reduce the management expense ratio of the Fund.

Warrantholders will have the opportunity to potentially acquire units at a price lower than the trading price in the marketplace.

Units of the Fund trade on the Toronto Stock Exchange (the "TSX") under the symbol "CTF.UN". The Warrants have been conditionally approved for listing on the TSX. It is expected the Warrants will commence trading on October 11, 2011 under the symbol CTF.WT.A.

The Warrants are not qualified for distribution in the United States of America. For further details please consult the final prospectus or your investment advisor.

For further information, please call our bilingual Investor Relations line at toll-free 1.877.261.9674 or 416.361.9673 or visit our website at www.crownhill.ca

Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the fund's publicly filed documents which are available from SEDAR at www.sedar.com. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this press release and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information.