



NEWS RELEASE

PALA INVESTMENTS TO ACQUIRE NORCAST INCOME FUND

TORONTO, ONTARIO, February 9, 2007 – The Board of Trustees of Norcast Income Fund (TSX:NCF.UN) (the “Fund” or “Norcast”), a leading supplier of mill liners and grinding media to the global mining industry, announced today that the Fund has entered into a support agreement (the “Agreement”) with Pala Investments Holdings Limited (“Pala”), an international alternative investments fund focused on the mining and metals sector, to make an offer by way of a take-over bid for all of the outstanding units of the Fund at a purchase price of C\$9.30 per unit in cash (the “Offer”). The transaction is valued at approximately C\$87 million.

Under the Agreement, the Board of Trustees unanimously recommends that unitholders accept the Offer, which represents a premium of 22% to the 30-day volume weighted average closing price of the Fund units on the Toronto Stock Exchange. Under the Agreement, the Fund will continue to make its regular monthly distributions to unitholders prior to the anticipated closing of the proposed transaction on or about March 26, 2007.

“In making its decision to support Pala’s offer, the Board of Trustees unanimously determined that the Offer is fair to unitholders and is in the best interests of the Fund and its unitholders,” noted Terence Reid, Chairman of Norcast’s Board of Trustees. “In addition, the Fund's financial advisor, TD Securities Inc., has provided the Board of Trustees with an opinion that the consideration to be received under the Offer is fair, from a financial point of view, to unitholders of the Fund.”

“This offer is good for all Norcast stakeholders. It provides unitholders with an attractive total return on their investment since our Initial Public Offering just over a year and a half ago, and is at a price considerably above the range in which the units have traded during almost all of that period,” said Gregory Romain, President and Chief Executive Officer of Norcast. “Pala’s investment provides Norcast employees and other stakeholders with the certainty and confidence that Norcast will continue to remain a stable and strong supplier to the mining industry. With its global orientation, mining industry expertise, and commitment to our long-term success, Pala is a very strong partner for Norcast.”

Joseph Belan, a Managing Director of Pala Investments AG, the Swiss-based exclusive advisor to Pala, said, “This represents a long-term investment in Norcast and in the future of the mining consumables industry in Canada. Our plan is to strengthen Norcast’s operations and continue to expand its global profile through further investment.”

Completion of the Offer is subject to certain customary conditions, including, among other things, there being validly deposited under the Offer and not withdrawn that number of units that constitutes at least 66 2/3% of the issued and outstanding units of the Fund. The Agreement also provides for, among other things, a non-solicitation covenant on the part of the Fund. In certain circumstances, the Fund may terminate the Agreement or withdraw its recommendation to unitholders to accept the Offer in the face of a superior offer. In such circumstances, the Fund would be required to pay a C\$2.1 million termination fee to Pala. The Agreement also provides that Pala has the right to match any superior offer made by another party. A copy of the Agreement will be available on SEDAR.

The take-over bid circular, containing the full terms of the Offer, is expected to be mailed to the Fund's unitholders together with the Board of Trustees’ circular and other related documents by the third week of February.

TD Securities Inc. is acting as financial advisor and Wildeboer Dellelce LLP is acting as legal counsel to the Fund. National Bank Financial is acting as financial advisor and Osler, Hoskin & Harcourt LLP is acting as legal counsel to Pala.

About Norcast Income Fund

Norcast Income Fund, through its operating subsidiary Norcast Castings Company Ltd., is one of the leading producers of grinding mill liners and small grinding media, serving approximately 100 leading mine operators around the world. As the only manufacturer in this industry to focus exclusively on mill liners and grinding media, Norcast is able to provide a superior level of service and support to its customers. Additional information on Norcast is available on the Fund's web site at: www.norcast.com.

About Pala Investments Holdings Limited

Pala Investments Holdings Limited, registered in Jersey, the United Kingdom, was launched in 2006. It is a US\$900 million multi-strategy alternative investment fund with a particular focus on mining and resource companies in developed and emerging markets. It seeks to assist these companies by providing strategic advice and innovative financing solutions. Pala Investments Holdings Limited is advised on an exclusive basis by Pala Investments AG.

About the Managing Directors of Pala Investments AG

Joseph Belan: A Canadian, Joe Belan joined Pala Investments AG in September 2006, following service with Goldman Sachs as an Executive Director in Investment Banking and Head of Metals and Mining and Steel, based in London. He has worked on a number of landmark global advisory and financing transactions in the metals and mining industry. He has an Honours Business Administration degree from the Ivey School of Business, University of Western Ontario.

Jan Castro: Prior to joining Pala Investments AG, Jan Castro was Senior Vice President, Investments and Corporate Affairs for Mechel OAO, a major Russian mining and metals company listed on the New York Stock Exchange. His responsibilities included mergers and acquisitions, asset sales, and investor and public relations. Jan was also responsible for the management of Mechel's IPO on the NYSE (2004). He previously worked for an international law firm, advising clients on public and private offerings of equity and debt. He received his J.D. and B.A. from Columbia University.

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