



**Magna Entertainment Corp.**  
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**PRESS RELEASE**  
**MAGNA ENTERTAINMENT CORP.**  
**PENNSYLVANIA STATE HARNESS RACING COMMISSION GRANTS CONDITIONAL**  
**APPROVAL TO THE SALE OF THE MEADOWS BY MAGNA ENTERTAINMENT CORP.**

**AURORA, ON, May 19, 2006 -- Magna Entertainment Corp. ("MEC") (NASDAQ: MECA; TSX: MEC.SV.A)** today announced that the Pennsylvania State Harness Racing Commission (the "PSHRC") has granted conditional approval of the proposed acquisition by PA Meadows, LLC ("PA Meadows"), a company jointly owned by William Paulos and William Wortman, controlling shareholders of Millennium Gaming, Inc. ("Millennium"), and entities related to Oaktree Capital Management, LLC ("Oaktree" and together with PA Meadows and Millennium, "Millennium-Oaktree") of all of the outstanding shares of Washington Trotting Association, Inc. ("WTA"), Mountain Laurel Racing, Inc. ("MLR") and MEC Pennsylvania Racing, Inc. ("PAR"), each a wholly-owned subsidiary of MEC. WTA, MLR and PAR are the entities through which MEC currently owns and operates The Meadows, a standardbred racetrack in Washington County, Pennsylvania. Approval of the sale of The Meadows by the PSHRC is one of the closing conditions under the stock purchase agreement entered into between MEC and PA Meadows on November 8, 2005 (the "SPA"). Under the terms of the SPA, Millennium-Oaktree will pay MEC \$225 million and MEC will continue to manage racing operations at The Meadows on behalf of Millennium-Oaktree for at least 5 years pursuant to a racing services agreement.

Blake Tohana, Executive Vice-President and Chief Financial Officer of MEC, commented: "We are extremely pleased to have received conditional approval from the PSHRC, and look forward to continuing to work with the PSHRC to receive final approval. We also look forward to continuing to work with Millennium-Oaktree to satisfy the remaining closing conditions and to complete the stock purchase transaction, which is expected to enable MEC to significantly reduce our outstanding debt and strengthen our balance sheet."

This press release contains "forward-looking statements" within the meaning of applicable securities legislation, including the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These forward-looking statements may include, among others, statements regarding: our strategies and plans; expectations as to financing and liquidity requirements and arrangements; expectations as to operational improvements; expectations as to cost savings, revenue growth and earnings; the time by which certain redevelopment projects, transactions or other objectives will be achieved; estimates of costs relating to environmental remediation and restoration; proposed new racetracks or other developments, products and services; expectations as to the timing and receipt of government approvals and regulatory changes in gaming and other racing laws and regulations; expectations that claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on our consolidated financial position, operating results, prospects or liquidity; projections, predictions, expectations, estimates, beliefs or forecasts as to our financial and operating results and future economic performance; and other matters that are not historical facts.

Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or the times at or by which such

performance or results will be achieved. Undue reliance should not be placed on such statements. Forward-looking statements are based on information available at the time and/or management's good faith assumptions and analysis made in light of our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond the Company's control, that could cause actual events or results to differ materially from such forward-looking statements.

Forward-looking statements speak only as of the date the statements were made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

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