



MTR GAMING GROUP, INC.

FOR IMMEDIATE RELEASE

**MTR GAMING GROUP'S PRESQUE ISLE DOWNS GRANTED CONDITIONAL
CATEGORY 1 SLOT MACHINE LICENSE**

Company Expects to Commence Slot Operations in February at Erie, PA Facility

CHESTER, WV – October 26, 2006 – MTR Gaming Group, Inc. (NasdaqGS:MNTG) today announced that its wholly owned subsidiary, Presque Isle Downs, Inc., was granted a Conditional Category 1 Slot Machine License by the Pennsylvania Gaming Control Board. The Company expects to open the facility with 2,000 slots in February and commence live racing operations in September of 2007.

Edson R. (Ted) Arneault, President and Chief Executive Officer of MTR Gaming, stated, "We are appreciative of the efforts of the Pennsylvania Gaming Control Board and its staff in their review and consideration of our application. We are certainly pleased to have secured the Conditional Category 1 license, and are enthusiastic about continuing to move forward with our plans for Presque Isle Downs."

MTR also reported that it has agreed to buy out for \$4.2 million an agreement entered in 2001 that allocated to a development consultant 3% of EBITDA from Presque Isle Downs.

About MTR Gaming Group

MTR Gaming Group, Inc., through subsidiaries, owns and operates the Mountaineer Race Track & Gaming Resort in Chester, West Virginia; Scioto Downs in Columbus, Ohio; the Ramada Inn and Speedway Casino in North Las Vegas, Nevada; Binion's Gambling Hall & Hotel in Las Vegas, Nevada, and holds licenses to build Presque Isle Downs, a thoroughbred racetrack with pari-mutuel wagering and slot machine gaming in Erie, Pennsylvania. The Company also owns a 90% interest in Jackson Trotting Association, LLC, which operates Jackson Harness Raceway in Jackson, Michigan. Additionally, MTR owns a 50% interest in the North Metro Harness Initiative, LLC, which has a license to construct and operate a harness racetrack 30 miles north of downtown Minneapolis. The Mountaineer facility, the Company's primary source of revenues, currently encompasses a thoroughbred racetrack with off-track betting and export simulcasting, 3,220 slot machines, 359 hotel rooms, golf course, spa & fitness center, theater and events center, convention center and fine dining and entertainment. MTR is included on the Russell 2000® and Russell® 3000 Indexes. For more information, please visit www.mtrgaming.com.

Except for historical information, this press release contains forward-looking statements concerning, among other things, the construction of a racetrack and slot machine parlor in Erie, Pennsylvania. Such statements are subject to a number of risks and uncertainties that could cause the statements made to be incorrect and/or for actual results to differ materially. Those risks and uncertainties include but are not limited to disruption (occasioned by weather

conditions, work stoppages, availability of materials and other factors) in developing our planned Pennsylvania operations, issuance and the timing of issuance of licenses, including a Permanent Category 1 Slot Machine License, and the authorization to commence operations by the Pennsylvania Gaming Control Board with respect to slot machines at Presque Isle Downs, and other factors described in the Company's periodic reports filed with the Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements, except as may be required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.

For Additional Information, Please Contact:

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