



FOR IMMEDIATE RELEASE

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Pacer Health Corporation Completes Joint Venture of Knox County Hospital

MIAMI, FL – May [REDACTED], 2007 – Pacer Health Corporation (OTCBB: PHLH), an owner-operator of acute care hospitals, medical treatment centers and psychiatric care facilities throughout the Southeastern United States, announced today that it completed a joint venture of Knox County Hospital with The Medical Specialists of Kentucky P.S.C.

Pacer Health Corporation completed a lease purchase agreement of Knox County Hospital on December 31, 2006. An accredited JCAHO (Joint Commission on Accreditation of Health Care Organizations) hospital, Knox County is a 42-bed facility that offers a comprehensive suite of healthcare services, including nuclear medicine, surgical services, physical therapy, spiral C.T., mammography, 24-hour emergency services, and a 16-bed skilled nursing unit. The hospital employs a staff of more than 250 and receives more than 16,000 emergency room visits each year.

Under the terms of the joint venture, The Medical Specialists of Kentucky P.S.C purchased a forty percent ownership interest in Knox County Hospital for an undisclosed sum. The Medical Specialists of Kentucky are a multi-specialty group practice in cardiology, pulmonology, gastroenterology and neurology.

“The joint venture with The Medical Specialists of Kentucky is a positive addition to Knox County Hospital,” said Rainier Gonzalez, Chairman and CEO of Pacer Health. “The relationship will allow us to expand services at the facility and bring new specialists into the area, thereby allowing the facility to grow.”

“We are excited about the future of our relationship with Knox County Hospital and Pacer Health,” said Craig Morgan, Manager of The Medical Specialists of Kentucky. “We look forward to working together to achieve maximum utilization of healthcare services in Knox County.”

Pacer Health specializes in the operation of medical facilities in non-urban areas. The company plans to continue expanding its business over the next several years, largely through the acquisition of medical facilities including financially distressed facilities that would require a restructuring of their operations to ensure financial viability and the consolidation of these facilities under the Pacer Health brand.

About Pacer Health Corporation

Pacer Health Corporation is an owner-operator of acute care hospitals, medical treatment centers, and psychiatric care facilities, primarily serving the growing senior citizen population

and non-urban areas throughout the Southeast. Please visit <http://www.pacerhealth.com> for more information.

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Legal Notice Regarding Forward-Looking Statements: "Forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 may be included in this news release. These statements relate to future events or our future financial performance. These statements are only predictions and may differ materially from actual future results or events. Pacer Health disclaims any intention or obligation to revise any forward-looking statements whether as a result of new information, future developments or otherwise. There are important risk factors that could cause actual results to differ from those contained in forward-looking statements, including, but not limited to risks associated with changes in general economic and business conditions, actions of our competitors, the extent to which we are able to develop new services and markets for our services, the time and expense involved in such development activities, the level of demand and market acceptance of our services, changes in our business strategies.