

FOR IMMEDIATE RELEASE

**The Mexico Equity and Income Fund, Inc.
Announces the Holdings of its Investment Portfolio and Expiration of its Repurchase Offer for Preferred Shares**

Business Editors

NEW YORK – (BUSINESS WIRE) – November 19, 2007 – The Mexico Equity and Income Fund, Inc. (the “Fund”) (NYSE: MXE; MXEPR), announced today the holdings of its investment portfolio. The Fund’s offer to repurchase from Preferred Stockholders up to 25% of the Fund’s issued and outstanding shares of preferred stock (the “Preferred Shares”) at 99% of the Fund’s per share net asset value in exchange for portfolio securities of the Fund (the “Portfolio Securities”) expired on Friday, November 16, 2007 at 5:00 P.M., New York City Time (the “Expiration Date”). A total of 1,098,070 shares were tendered by participating Preferred Stockholders, representing approximately 77% of the preferred shares outstanding.

Portfolio Securities are defined as a pro-rata portion of each of the securities (other than short-term fixed income securities with maturities of less than one year, securities with transfer restrictions and certain illiquid securities), subject to adjustments for fractional shares and odd lots, and any cash held in the Fund’s investment portfolio at the close of regular trading on the NYSE on the Expiration Date. The Portfolio Securities to be received by participating Preferred Stockholders will be pro-rata among tendering Preferred Stockholders in proportion to the number of Preferred Shares tendered to the Fund by each such Preferred Stockholder.

The sale proceeds of the Offer will be remitted in Portfolio Securities except for (a) securities which, if distributed, would be required to be registered under the Securities Act of 1933, as amended (the “Securities Act”); (b) securities issued by entities in countries which restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles; and (c) certain portfolio assets (such as forward currency exchange contracts, futures and options contracts and repurchase agreements) that, although they may be liquid and marketable, involve the assumption of contractual obligations, require special trading facilities or can only be traded with the counterparty to the transaction in order to effect a change in beneficial ownership. With respect to the Portfolio Securities, as to fractional shares and/or odd lots of securities and/or amounts attributable to any cash position (including short-term non-equity securities), the Fund will (a) pay cash for fractional shares and/or odd lots of securities and/or amounts attributable to any cash position (including short-term non-equity securities); (b) round off (up or down) odd lots or fractional shares so as to eliminate them prior to distribution; or (c) pay a higher pro-rata percentage of equity securities to represent such items. The choice of option (a), (b) or (c) with respect to the treatment of fractional shares and/or odd lots of securities is at the discretion of the Fund.

As of November 16, 2007, the Fund’s investment portfolio is as follows:

Empresas ICA Sociedad Conroladora, S.A. de C.V.	8.0%
Wal-Mart de Mexico, S.A. de C.V. - Class V	7.9%
Promotora y Operadora de Infraestructura, S.A. de C.V.	7.3%
Grupe, S.A. de C.V.	6.7%
Bonos de Proteccion al Ahorro, 7.400% due 12/23/2010	5.3%
Grupo Mexico, S.A. - Series B	5.1%
Grupo Financiero Banorte, S.A. de C.V. - Class O	4.9%
Operadora GBM	4.9%
America Movil, S.A. de C.V. - Class L	4.4%
Promotora Ambiental, S.A. de C.V.	3.8%
Grupo Mexicano de Desarrollo, S.A.	3.6%
Carso Infraestructura y Construccion, S.A. de C.V.	3.4%

Fomento Economico Mexicano S.A. de C.V.	3.2%
GBM Grupo Bursatil Mexicano S.A. de C.V. Casa de Bolsa	3.2%
Impulsora del Desarrollo y el Empleo en America Latina, S.A. de C.V.	3.1%
SARE Holding, S.A. de C.V.	2.8%
Industrias Penoles, S.A.	2.5%
Axtel, S.A. de C.V. CPO	2.2%
America Movil, S.A. de C.V. - Class L - ADR	2.0%
Industrias CH, S.A. - Class B	1.6%
Mexichem, S.A. de C.V.	1.4%
First American Treasury Obligation - Class A	1.4%
Grupo Aeroportuario del Pacifico, S.A. de C.V. - Class B	1.4%
Alfa, S.A. - Class A	1.3%
Grupo Cementos de Chihauhau, S.A. de C.V.	1.2%
Financiera Independencia SAB	1.2%
Controladora Comercial Mexicana S.A. de C.V.	1.1%
Grupo Televisa, S.A. - ADR	1.0%
Grupo Televisa, S.A. CPO	0.9%
Corporacion Moctezuma, S.A. de C.V.	0.8%
Consortio ARA SAB	0.7%
Urbi, Desarrollos Urbanos, S.A. de C.V.	0.6%
Mexican Peso	0.4%
Inversion Horizonte, S.A. de C.V.	0.4%
Grupo TMM S.A. - ADR	0.3%
	<u>100.0%</u>

The Fund's common and preferred stocks are traded on the New York Stock Exchange under the trading symbol "MXE" and "MXEPR", respectively.

Periodically updated information on the Fund can be obtained by calling the Fund's dedicated telephone line. Information includes a recorded update providing the Fund's net asset value. The Fund's toll free number is (866) 700-6104. Inquiries regarding change of address, transfer of shares, lost certificates, and non-receipt of dividend checks or reinvestment statements should be directed to Computershare Investor Services, P.O. Box A35014, Chicago, IL 60690-3504; (888) 294-8217.

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