



May 10, 2012

Queenco Leisure International Ltd.
("QLI" or the "Company")

Clarification regarding Investment Negotiations in (Y.Z) QUEENCO LTD.

Further to two immediate reports numbers 4471C and 5169C filed by Queenco Leisure International Ltd. (LSE: QLI), the emerging markets entertainment center and casino developer and operator, on May 1, 2012 regarding (Y.Z) QUEENCO LTD. (QLI's controlling shareholder; or "(Y.Z) QUEENCO") announcement dated May 1, 2012 in respect of negotiations with an unaffiliated third party (the "Investor") for a possible investment in (Y.Z) QUEENCO, (Y.Z) QUEENCO clarified today in an immediate report filed with the Tel-Aviv Stock Exchange and Israeli Securities Authority that as of today no agreement was signed between the Investor and (Y.Z) QUEENCO and/or its controlling shareholder and that a company valuation for (Y.Z) QUEENCO as well as the percentage holding of the Investor in (Y.Z) QUEENCO, in the event that the investment transaction shall be consummated, has not been determined yet. The negotiations to date with the Investor and its representatives included several meetings and conversations between the controlling shareholder of (Y.Z) QUEENCO (and lately also with representatives of (Y.Z) QUEENCO) and said Investor.

(Y.Z) QUEENCO further clarified that to the best of its knowledge, the Investor conducted its own independent due diligence of (Y.Z) QUEENCO's documents available to the public as well as visited (Y.Z) QUEENCO's assets in Cambodia and Greece.

(Y.Z) QUEENCO anticipates that in the event that negotiations shall lead to an agreement, the Investor shall seek to become a member of the controlling group of (Y.Z) QUEENCO (through a voting agreement) - and in such case the investment transaction shall be treated as a related parties' transaction, requiring certain approvals under Israeli laws.

(Y.Z) QUEENCO further anticipates that in the event that the negotiations shall result in an agreement, the consummation of the investment transaction shall not take place prior to the fourth quarter of 2012.

For further information please visit www.queenco.com or contact:

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