



August 29, 2012

Queenco Leisure International Ltd
(“QLI” or the “Company”)

Agreement to Invest in the Company's Prague Operations

Queenco Leisure International Ltd., the emerging markets entertainment center and casino developer and operator, today announces that on August 29, 2012, it entered into a binding memorandum of understanding ("MOU") with an unrelated third party (the "Investor"), for the investment in QLI's operations in Prague, which includes a restaurant named SASAZU and a club (the "Joint Operations"). Pursuant to the MOU:

- 1) The investor undertakes to transfer to the Joint Operations, until June 30, 2013, Euro 1,500,000 (the "Fixed Consideration"), of which Euro 150,000 shall be transferred within 14 days from the date of the MOU's execution, and Euro 350,000 shall be transferred by December 31, 2012. Upon completion of the transfer of the Fixed Consideration, the Investor shall be issued 50% of the issued and paid-for share capital of the Joint Operations;
- 2) In addition to the Fixed Consideration, the Investor shall transfer to QLI, to the extent QLI shall be entitled thereto, additional amounts, which shall be calculated based on four times the average of the annual EBITDA of the Joint Operations for the period commencing on June 30, 2012 and ending on June 30, 2015 (the 3 years EBITDA average times four), all in accordance with the mechanism set forth in the MOU;
- 3) Within 60 days from the date of the MOU's execution, the parties shall execute a definitive agreement, which shall fully set forth the understanding between the parties;
- 4) QLI is entitled, at its sole discretion and for any reason whatsoever, to terminate the MOU and/or the definitive agreement to be executed thereunder, until December 31, 2012, in which case the Investor shall be entitled to a full refund of its investment;
- 5) The definitive agreement shall include provisions for the management of the Joint Operations and a bring along, tag along and BMBY mechanisms;

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

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