



July 4, 2011

Queenco Leisure International Ltd.

Update with respect to Put Option

Queenco Leisure International Ltd., a developer, operator and owner of entertainment centers, casinos and leisure resorts ("**QLI**"), today announced that Vasanta Holdings Ltd., a 50%-owned subsidiary of QLI ("**Vasanta**"), informed QLI that it has been renotified by Casino Austria International Holding GmbH ("**CAIH**") that the Put Option Agreement ("**POA**") dated December 31, 2008 between Vasanta and CAIH, including CAIH's obligation to subscribe for certain shares underlying the put option and to pay the consideration therefor, is not legally binding on CAIH for various reasons (none of which were detailed in CAIH's notification).

CAIH further notified Vasanta that notwithstanding the above, it is interested in reconciling the differences between the parties amicably and therefore it is offering the following:

- CAIH shall offer to pay a non recurring installment in the amount of Euro 20 million.
- CAIH will sell and transfer its shares in Casino Austria Greece GmbH ("**CAG**") to Vasanta on a price to be negotiated by the parties.
- Upon completion of the above mentioned payment and transfer of shares, a full release of any potential claim between any direct and indirect party as it relates to the POA shall apply.

QLI is considering the foregoing information and its consequences and shall provide updates in accordance with applicable law, rules and regulations.

For previous announcements related to the POA, see QLI's announcements dated January 6, 2009, April 30, 2009, September 3, 2009, March 31, 2010, December 2, 2010, February 7, 2011, April 12, 2011 and June 16, 2011.

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

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