26 September 2011

Queenco Leisure International Ltd.

Filing of Lawsuit

Queenco Leisure International Ltd. (the "**Company**" or "**QLI**"), a developer, owner and operator of casinos and resorts, today announced that on September 25, 2011 it filed in the Tel Aviv District Court together with, inter alia, Mr. Yigal Zilkha, the controlling shareholder of (Y.Z) Queenco Ltd. (the Company's controlling shareholder), a lawsuit against Mr. Moshe Bublil, Club Hotel Investments (C.H.) Ltd. and others.

The claim describes a systematic, methodological oppression applied by Mr. Bublil and companies under his control against the plaintiffs, which occurred in the framework of the "Club Hotel Loutraki Greece" joint venture. Such oppression was effected through the breach of agreements, the attempt to financially "suffocate" the joint venture companies, as well as through obtaining in illegitimate ways certain resolutions of the corporate organs of the joint venture.

The lawsuit requests various relieves intended to terminate the foregoing oppression. Most importantly, the plaintiffs are seeking a valuation of the parties' respective holdings in the joint venture companies, which will be the basis for the termination of the partnership between the ultimate shareholders engaged in the "Club Hotel Loutraki Greece" tourism enterprise.

QLI and (Y.Z) Queenco Ltd. submitted the lawsuit after exhausting the viable options to resolve the continuous conflict without the assistance of the court. Such ongoing conflict led the joint companies to a deadlock, resulting in damages caused to the joint venture.

The Company shall update as to any developments in the judicial process in accordance with applicable requirements.

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

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