



28 December 2011

Queenco Leisure International Ltd.

Update regarding filing of Lawsuit

Queenco Leisure International Ltd. (the "**Company**" or "**QLI**"), a developer, owner and operator of casinos and resorts, today announced that following the Company's announcement dated 26 September, 2011 with respect to the lawsuit filed by it together with, inter alia, Mr. Yigal Zilkha, the controlling shareholder of (Y.Z) Queenco Ltd. (the Company's controlling shareholder), against Mr. Moshe Bublil, Club Hotel Investments (C.H.) Ltd. and others, the Tel Aviv District Court accepted on December 21, 2011, the motion filed by the defendants to stay all procedures in the lawsuit pending the court's decisions in three other lawsuits conducted before other instances, which involve certain matters that are also raised in the Company's foregoing lawsuit.

As part of the court's decision not to entertain such procedures simultaneously, the court ruled that the Company may seek various remedies, including staying the other procedures, uniting the other procedures with the Company's foregoing lawsuit or amending one of the other lawsuits. The court ordered the Company to inform the court by January 4, 2012 how it intends to proceed.

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