



9 July 2009

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

Statement re: update on announcement of parent company

Queenco Leisure International Ltd, (LSE: QLI), the emerging markets developer, operator and owner of entertainment centers, casinos and leisure resorts, notes the announcement made by Y.Z. Queenco Ltd. ("Y.Z.") (TASE: QNCO), the holder of approximately 64% of QLI's share capital, that its board of directors has authorized management to explore the possibility of a merger between Y.Z. and QLI.

Y.Z. clarified that at this stage its board of directors had not adopted any operative resolution with respect to such a merger, and that at this stage the tax, legal, accounting and economic aspects, which may affect the structure and actual consummation of such transaction, should be examined.

A further announcement will be made when appropriate.

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