



ASX ANNOUNCEMENT

14 March 2011

**NATIONAL LEISURE & GAMING LIMITED
PROPOSAL TO SELL 20 PUBS LEASED FROM REDCAPE PROPERTY FUND**

National Leisure & Gaming Limited ("**NLG**") (ASX: *NLG*) has been investigating structural alternatives to address its long term capital sustainability. As most recently advised on 10 February 2011, the Company has received approaches from a range of external parties interested in taking an ownership position within the Company.

In the interests of full disclosure and in compliance with ASX Listing Rules (in particular Listing Rule 3.1), NLG and a related company of the Laundry Hotel Group ("**LHG**"), have today entered into a confidentiality and exclusivity agreement whereby LHG will be given access to due diligence materials and will have the exclusive right until 28 April 2011 (unless the agreement terminates earlier) to negotiate a Sale and Purchase Agreement with NLG for the acquisition of the 20 pubs leased by NLG from Redcape Property Fund (ASX: *RPF*).

Should this transaction occur, it is intended that NLG will continue as the leasehold owner of its remaining 16 pubs.

This proposal, if it proceeds, will ultimately require the approval of both, its primary financier, National Australia Bank Limited and the NLG shareholders, for which the requisite information will be sent to shareholders in due course.

NLG will keep the market informed of any further material developments relating to this proposal.

Peter Dransfield
Chairman

About NLG:

NLG is one of Australia's largest hotel operators and the country's only listed specialist hotel and gaming owner and operator. NLG's portfolio spans 35 leasehold hotels and approximately 900 electronic gaming machines.

For further details, please contact:

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