

NEWS RELEASE

**Trading CDN : LKAN
CUSIP No. : 524911104**

For Immediate Release

August 8, 1996 TORONTO, ONTARIO : Leisure Canada Inc. ("Leisure") is pleased to announce that its Board of Directors has approved a re-negotiated package for the purchase of the Travel Resource Distribution Group ("TDRG").

TDRG is a holding company for three travel divisions : Goligers Travel International Limited, TTI Management Canada Inc. and International Tours Canada Inc. The combined group includes Goligers Travel, TTI Management, and International Tours, a chain of full service retail agencies specializing both in corporate and leisure travel arrangements. TDRG has 210 outlets nationwide representing over \$500 million annually in travel sales.

Leisure has agreed to purchase all of the common shares of TDRG Inc. for a purchase price of \$1 million cash and 100,000 common shares of Leisure. Leisure will also assume approximately \$375,000 in debt and \$290,000 in 7.5% preferred shares which are retractable in 1999. The vendors of TDRG will be entitled to receiving an ongoing royalty for a 3 year period in a total amount equal to one-half of annual pre-tax profit in excess of \$375,000.

Leisure will be able to immediately supply several key products to the franchise which will both aid the system and Leisure in its growth. These products will include the Leisure discount travel card, its new Leisure publication, the recently acquired 1-800-4-TRAVEL telephone franchise system, its insurance division, and most importantly the launch of its new integrated world wide web travel system. Along with these products, there is a natural synergy in Leisure's tour division providing Leisure product to the half million distribution system and the ability for Leisure to expand and enhance several of its existing programs.

Page Two

The transaction is expected to close in or about September 3rd, 1996 subject to receipt of required regulatory approvals.

The combined resources of TDRG and Leisure will create many synergies in setting the stage for strong growth in both corporate and leisure markets. This is a natural step in Leisure Canada's objective to become a full service travel provider in Canada and worldwide.

For further information, contact Bill Kerby, President at (604) 606-1606 or Peter Rooney, Director at (905) 859-2382.