

## **NEWS RELEASE**

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### **LE MERIDIEN HOTELS & RESORTS UNITE WITH LEISURE CANADA IN ITS MULTI DESTINATION RESORT PROJECT IN JIBACOA, CUBA**

**For Immediate Release, November 25, 1998**

Leisure Canada Inc. is pleased to announce that it has entered into a Letter of Intent with Meridien Hotels & Resorts, one of Europe's leading hotel groups which operates a globally recognized chain of first class hotels and Resorts. The Letter of Intent calls for the opening and operation of the hotels within 30 months of a final signed agreement targeted for December 31, 1998. The final agreement will incorporate the design, planning, furnishing, equipment and décor of the hotel, allowing it to carry the trade name and service marks of this world renowned international hotel group, as well as participating in the chain's international advertising and sales promotion programs. The agreement will also span a long-term management contract with multiple renewal rights. This unique European proven concept is exclusive to Leisure Canada in Cuba.

The first phase of the agreement will lead to the development of three hotels totaling 550/600 rooms. This project will be designed together with this high profile European hotel group to ensure its international standards, which will mirror its famous resort in Sardinia, Italy. The agreement will also include Meridien's signature spa facilities, retail village, restaurants and entertainment facilities, convention centre, tennis courts, pier facilities and children's complex. This will all centre around Leisure Canada's recently announced development of its first of two 18-hole championship golf courses, to be designed, developed and managed by the world renowned Gleneagles Golf Developments of Scotland.

This agreement also encompasses a second phase consisting of additional 400 rooms and a marina, which brings the agreement to a total of 1,000 rooms. The hotel will be managed by the Meridien group, who has expressed a strong interest in equity participation.

This agreement, in combination with Gleneagles, completes the commitments of Phase I at Jibacoa, making this site a true world class destination resort.

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