LEISURE CANADA INC.

News Release

For Immediate Release

TSX Venture Exchange Symbol: **LCN**

4 May 2005

Leisure Canada issues year-end financial statements

Ian D. Brown, C.A., Chief Financial Officer, advises that that the Company has released its audited financial statements and management discussion and analysis for the fiscal year ended December 31, 2004. The full text of the financial statements and MD&A are available by request from the Company, and under the Company's issuer profile on SEDAR at www.sedar.com. The company reports in U.S. dollars.

Highlights of the financial statements include the reporting of a year-end cash position of $3.2 million, investment in resort development properties of $9.4 million, total assets of $12.9 million and shareholders' equity of $12.6 million. The loss for the year was $1.0 million, a 46% reduction from 2003. Loss per share was $0.03. The Company drew down its cash resources by $1.6 million compared to $2.5 million in 2003.

We spent some $721,000 on our three Cuban resort projects, of which almost $600,000 was on the *Monte Barreto* project in the Miramar district of Havana. Additions to shares outstanding were only 102,000 shares issued in payment of debenture interest.

In describing ongoing operations, we reported that at the year end and to date, an extension of certain development deadlines had not been received from agencies of the Cuban government. We are of the opinion that this extension will in due course be provided. However, should this ultimately not occur this would have a significant adverse effect on our objectives and planned developments, and result in uncertainty about the ongoing status of our development agreements under which we carry out most of our active business.

The management discussion and analysis reports on the nature, status and expected priorities of our three projects in Cuba, *Monte Barreto, Cayo Largo* and *Jibacoa*. The *Monte Barreto* and *Cayo Largo* projects are first in line for development and are the subject of our current efforts to arrange project financing. The pace of development funding slowed in 2004 pending extension of the deadlines referred to above and reflecting our focus on financing.

Significant savings totalling 46% were realized in general and administrative costs, especially in salaries and benefits, rent and investor relations costs. These reflect our successful program to operate more leanly while continuing to effectively manage the Cuban assets. Further reductions are expected in 2005 but not to the extent seen in 2004.

The Company's adequate liquidity is described in the MD & A, with $3.2 million in cash and working capital exceeding $3.0 million. The Company's liquidity is sufficient for the balance of the current fiscal year.

At April 29, the date of the MD & A, the Company had 41.7 million shares outstanding, 2.1 million stock options, and 5.1 million share purchase warrants.

The MD & A concludes with a description of certain risks and uncertainties we face related to doing business in Cuba, to Cuban law and commercial practice, to the risks of being called on to fund the development costs of our projects in uncertain capital markets, to risks associated with the attitude and policies of the government of the United States towards Cuba and entities which do business there, and to our dependence on the personal relationships of our key personnel with our Cuban joint venture partners and with Cuban government authorities.

Management remains grateful for the ongoing support of our investors and partners.

– 30 –

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