



LEISURE CANADA INC.

Trading: TSX Venture: **LCN**

PRESS RELEASE

December 21, 2007

DUBAI'S PROFILE GROUP AGREES TO TAKE MAJOR STAKE IN LEISURE CANADA

Vancouver – Leisure Canada (the “**Company**” or “**LCI**”) is pleased to announce that the Board of Directors has approved the signing of a conditional agreement with Profile Investments LLC (“**Profile**”) pursuant to which Profile and persons associated therewith will acquire 46 percent of the fully diluted issued capital of LCI as enlarged through the issuance of new shares to Profile, thereby raising C\$15 million. In addition, Profile and persons associated therewith have agreed to invest US\$5 million in the Company’s operating subsidiary, Wilton Properties Limited (“**Wilton**”). Profile is a Dubai-based investment company with global interests in real estate across India, the Gulf Cooperation Countries (“**GCC**”), Cape Verde and North Africa.

Profile Investments is a member of the Dubai headquartered Profile Group which has substantial interests in Dubai, including projects on the “Water Front” and the internationally renowned “World” development. Its interests range from real estate consulting and engineering, design and architecture as well as partnerships with global real estate sales and development operations. The Profile Group holds substantial investments in prime properties in GCC countries, such as the U.A.E. (Dubai) and Oman, and also in Morocco, Europe, Spain and Cape Verde. In Dubai, its projects include;

- 5 residential towers at Dubai Sports City;
- 12 residential, commercial and hotel towers at Dubai Waterfront;
- 10 residential buildings in International City;
- 4 buildings in Dubailand, a huge mixed use project;
- 2 exclusive projects on “The World”; the development of the “Island of Thailand” into a Spa and Residential Resort; and the development of the “Island of Ireland” as an up-market exclusive island retreat; and
- 6 luxury villas in Emirate Hills.

The transaction would envision Profile and persons associated therewith purchasing 46 percent of LCI’s issued capital on a fully diluted basis at the time of closing. This will result in the issuance of 60 million units at C\$0.25 each for aggregate proceeds of C\$15,000,000. Each unit would be composed of one class “A” share (common share) plus one-half warrant. One full warrant would entitle the holder to purchase one additional common share of LCI for a period of 24 months after the closing date at a price of C\$0.35 per warrant share. The Company will undertake to extend the term of the warrants for a further 24 months at an exercise price of C\$0.40 in the third year and C\$0.45 in the fourth. Additionally, Profile and persons associated therewith will acquire a 25 percent holding of the outstanding capital of Wilton by means of the subscription of new shares in Wilton for a total sum of USD\$5 million. Finally, LCI would arrange for the appointment of two directors nominated by Profile to the Company’s Board of Directors. Profile has also expressed its strong desire to have Mr. Walter Berukoff remain as Chairman of the Company for a further period of not less than five years.

Leisure Canada Inc.

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Walter Berukoff, the Executive Chairman of Leisure Canada said, *"This agreement will provide Leisure Canada with the backing of a vertically integrated global real estate developer. All of the elements are now in place to accelerate development of our world class asset base in Cuba and become that nation's premier hospitality and real estate development company."*

Commenting on the investment, Mr. Hanif Patel, Founder and Chairman of the Profile Group, said *"Leisure Canada's major assets are in Cuba. We are extremely excited about potential co-operation and synergies which will arise from this investment. We can help them market their products and, at the same time, offer this exotic market to our client base of over 30,000 investors."*

Mr. Patel added, *"With almost US\$ 20 million in new capital, and with further capital injections planned in the near future, Leisure Canada will be very well positioned to complete existing projects and acquire new assets in Cuba."*

The transaction is subject to due diligence and other normal closing conditions including the execution of definitive agreements and regulatory approvals. It is expected to be completed by the 29th of February, 2008. MAC Capital Limited, an Investment Bank operating from the Dubai International Financial Centre and authorized by the Dubai Financial Services Authority, was advisor to the Company in this transaction.

Leisure Canada is a leading developer of luxury resorts in Cuba, with multiple properties currently under development, including five-star hotels, over 4,200 hotel rooms and PGA championship golf courses.

ON BEHALF OF THE BOARD

Christina Swan
Corporate Secretary

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.