



PRESS RELEASE

\$170,000,000 Acquisition of Casino Queen by Newly Formed Employee Stock Ownership Plan

Successful Casino to Create Long-term Economic Benefits for Employees

East St. Louis, IL (December 27, 2012) – Shareholders of Casino Queen, Inc. (“Casino Queen” or the “Company”), owner and operator of Casino Queen Hotel & Casino located in East St. Louis, Illinois (the “Property”), have agreed to sell 100% of their equity interests in the Company to a newly formed Employee Stock Ownership Plan (“ESOP”) for approximately \$170 million, which includes the assumption and refinancing of approximately \$31 million in existing indebtedness (collectively, the “Acquisition”).

The privately held ESOP will provide the Company’s approximate 700 employees with an opportunity to participate in the continued success and growth of the Property via collective ownership in Casino Queen’s stock. The ESOP will effectively create an enhanced retirement benefits plan tied to the performance of the Property and provide liquidity for employees when they retire or leave the Company. The private nature of the ESOP permits management to focus on strategies for the long-term benefit of the Company and creation of wealth for its employees.

Management of the ESOP will be led by co-trustees Jeff Watson, current General Manager of the Company, and Bob Barrows, current Chief Financial Officer. Mr. Watson and Mr. Barrows along with the Company’s newly formed Board of Directors will provide daily governance and operations oversight. GreatBanc Trust Company acted as independent ESOP trustee during the Acquisition process.

The Acquisition, plus related transaction fees and expenses, was funded by the ESOP primarily through a combination of new debt financing instruments totaling \$170 million (collectively, the “Debt Financing”).

Advisors

Wells Fargo Securities, LLC acted as sole lead arranger and sole bookrunner in connection with the Debt Financing. Wells Fargo Bank, N.A. is serving as Administrative Agent for the First Lien Credit Facility. Wells Fargo Gaming Capital is serving as Administrative Agent for the Second Lien Credit Facility and the Subordinated Credit Facility.

Husch Blackwell LLP acted as lead legal counsel to Casino Queen in connection with the Acquisition. Innovation Capital, LLC served as financial advisor to Casino Queen in connection with the Acquisition. Duff and Phelps Securities, LLC advised the Company with respect to formation of the ESOP.

About Casino Queen Hotel & Casino

Casino Queen Hotel & Casino is a premier locals-oriented casino, hotel and entertainment complex located in East St. Louis, Illinois. The Property is situated along the eastern bank of the Mississippi River, directly across from downtown St. Louis, Missouri. The casino offers a 40,000 square foot gaming floor with over 1,100 slot machines and 27 table games. Amenities include a 157 room hotel, three restaurants, 6,250 square feet of meeting space and 132-space recreational vehicle park. For more information, please visit www.casinoqueen.com.

Contact

Jeffrey Watson
General Manager & Corporate
618-874-5000

Robert Barrows
Chief Financial Officer
618-874-5000

###