

Casinos Austria International signs Letter of Intent with Diamondhead Casino Corp.

CAI and Diamondhead are now working towards a partnership for the development of a destination casino resort in Mississippi, USA

Vienna, 25 June 2008 – Casinos Austria International (CAI) today announced that it has signed a non-binding letter of intent with Diamondhead Casino Corporation (Diamondhead) to form a joint venture partnership to develop, build and operate a destination casino resort in Diamondhead, Mississippi, USA.

The joint venture covers a 50-acre area within a 404-acre tract of land owned by Mississippi Gaming Corporation, a wholly-owned subsidiary of Diamondhead. Located in Hancock County, Mississippi, the tract fronts Interstate 10 and the Bay of St. Louis, and is zoned as a Special Use District-Waterfront Gaming. Mississippi passed legislation allowing casinos to be built up to 800 feet from the mean high water line of certain bodies of water in October 2005 following Hurricane Katrina. The new law applies to the Diamondhead property.

CEO Paul Herzfeld stated: „We are extremely pleased to have signed this letter of intent and be working towards a partnership with Diamondhead to develop a casino and destination resort on its property. Assuming a successful due diligence period and subsequent definitive agreement between our two companies, we look forward to developing this new project with Diamonhead.“

About Diamondhead Casino Corporation

Diamondhead Casino Corporation, through its wholly-owned subsidiary, Mississippi Gaming Corporation, owns and intends

to develop, in cooperation with a joint venture partner, approximately 404 acres of land in Diamondhead, Mississippi. Diamondhead intends to develop the property as a destination casino resort and hotel with condominiums and other amenities.

About Casinos Austria International

Founded in 1977, Casinos Austria International is a leading player in the international casino industry. As of June 2008, CAI and its parent company, Casinos Austria AG, operated 77 casinos in 18 countries and on board 13 cruise liners, with a further casino set to open in Los Angeles, Chile in July 2008. In 2007, the Casinos Austria Group posted 1.37 billion euro in revenues (win, registered tips, entrance) from its casino sector activities (+9.4%). Together its casinos around the globe welcomed 19.9 million visitors (+4.7%) and employed over 13,200 staff (+25.4%).