

ASX RELEASE**11 March 2015****Update on Star Vegas Transaction**

Donaco International Limited (“the **Company**”) confirms that the proposed acquisition of Star Vegas Resort and Club in Cambodia (“the **Transaction**”) continues to move ahead, with the conditions precedent to the Transaction being resolved in an orderly manner.

Financing Update

The Company confirms that it has signed a binding commitment letter with Mega International Commercial Bank Co., Ltd for the USD100 million commercial loan facility. Mega Bank is one of Taiwan’s largest commercial banks, with a significant presence in Cambodia. The terms of the facility are as summarised in the Shareholder Booklet and Independent Expert’s Report mailed to shareholders on 24 February 2015.

The funds raised under the recent entitlement offer have already been converted from Australian dollars to US dollars.

Process Update

The Shareholder Booklet states (on page 20) that the shares to be issued to the vendors will first be issued to Donaco’s own wholly-owned subsidiary in Hong Kong, to be held on trust for the vendor until final completion. Following further discussions with Mega Bank, the trust structure is no longer required. The shares will be issued directly to the vendors (or their nominees) upon completion of the Transaction, provided that shareholder approval is given at the Extraordinary General Meeting on 27 March 2015.

For further information:

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ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

Donaco International Limited operates leisure and entertainment businesses across the Asia Pacific region. Our flagship business is the Aristo International Hotel, a successful boutique casino in northern Vietnam. Donaco operates the business and owns a 95% interest, in a joint venture with the Government of Vietnam.

Donaco is a pioneer casino operator in Vietnam. The business was established in 2002, and is located on the border with Yunnan Province, China. The property has recently been expanded to a brand new five star resort complex with 428 hotel rooms.

To learn more about Donaco visit www.donacointernational.com

