

ASIA ENTERTAINMENT & RESOURCES LTD. ANNOUNCES THIRD QUARTER 2011 FINANCIAL RESULTS

Hong Kong, China – November 14, 2011 – Asia Entertainment & Resources Ltd. (“AERL” or the “Company”) (NASDAQ: AERL), which operates through its subsidiaries and related promoter companies as VIP room gaming promoters, today announced unaudited financial results for the three and nine months ended September 30, 2011. All currency amounts are stated in United States dollars.

Financial Highlights for the Three Months Ended September 30, 2011 (unaudited)

- Rolling Chip Turnover for the three months ended September 30, 2011 in the Company’s VIP gaming rooms in Macau was \$6.0 billion, up 149% year-over-year, compared to \$2.4 billion in the same period of 2010.
- Revenue for the three months ended September 30, 2011 was \$74.4 million, up 161% from \$28.5 million in the same period of 2010.
- Earnings per share (“EPS”) for the three months ended September 30, 2011 was \$0.69 for basic weighted average shares outstanding (approximately 38.8 million) and \$0.68 for fully diluted weighted average shares outstanding (approximately 39.2 million).
- Non-GAAP EPS before amortization of intangible assets and change in the fair value of contingent consideration for the three months ended September 30, 2011 was \$0.58 for basic and \$0.57 for fully diluted shares outstanding.
- Total available cage capital as of September 30, 2011 was approximately \$227.3 million, up from \$201.7 million as of June 30, 2011. The total available cage capital is comprised of markers receivable of \$216.6 million and cash, cash chips and non-negotiable chips of \$10.7 million.
- On September 7, 2011, the Company received an additional \$12.8 million interest-free line of credit for its VIP room at the Star World Hotel & Casino in downtown Macau. The Company now has total lines of credit for its VIP rooms of \$55.2 million.

AERL Chairman Lam stated, “We had an excellent third quarter performance led by continued organic growth and the addition of VIP rooms at the Venetian Macao-Resort-Hotel and Galaxy Resort Macau. For the third quarter, AERL generated 161% year-over-year revenue growth, easily exceeding the overall growth in Macau of 48% according to the Macau Gaming Inspection and Coordination Bureau (DICJ), while our Non-GAAP income, before amortization of intangible assets and change in fair value of contingent consideration, increased 200% from the prior-year period. We expect continued strong growth and we continue to look for opportunities to increase the number of our VIP rooms. In addition, the third quarter saw us pay the first installment of our regular dividend, fulfilling our promise of providing a return on investment to our shareholders.”

The financial figures included in this announcement cover AERL’s unaudited financial results for the three and nine months ended September 30, 2011 and 2010, including results for the period through February 2, 2010, the date on which it acquired all of the stock of Asia Gaming & Resort Limited (“AGRL”), unless otherwise noted. Prior to the acquisition, the owners of the promoter companies were entitled to all of the net earnings from the operation of the VIP gaming rooms. As a result of the acquisition, AERL became entitled to all of such earnings. During the nine months ended September 30, 2010, net income of \$4.3 million was attributable to the pre-acquisition period from January 1, 2010 to February 2, 2010.

The assets, liabilities and the historical operations that are reflected in the financial results are those of AGRL and the promoter companies and are recorded at the historical cost basis of AGRL and the promoter companies. AERL’s assets, liabilities and results of operations are consolidated with the assets, liabilities and results of operations of AGRL subsequent to the acquisition.

Three months ended September 30, 2011 compared to three months ended September 30, 2010

Rolling Chip Turnover is used by casinos to measure the volume of VIP gaming room business transacted and represents the aggregate amount of bets gaming patrons place. Bets are wagered with “non-negotiable chips” and winning bets are paid out by casinos in so-called “cash” chips, if they continue to play they have to change the cash chips to non-negotiable chips. The following table sets forth certain information regarding the Company’s unaudited results for the three months ended September 30, 2011 and 2010 (all figures are in \$ thousands except percentages).

	For the Three Months Ended September 30, 2011	For the Three Months Ended September 30, 2010	2011 to 2010
Rolling Chip Turnover	\$ 5,950,823	\$ 2,394,052	149%
Revenue from VIP gaming operations	\$ 74,414	\$ 28,533	161%
Commission to agents	\$ 47,198	\$ 18,492	155%
Selling, general and administrative expenses	\$ 4,101	\$ 2,305	78%
Operating income after amortization of intangible assets and before change in fair value of contingent consideration	\$ 21,257	\$ 7,496	184%

Revenue from VIP gaming promotion was \$74.4 million for the three months ended September 30, 2011, as compared to \$28.5 million for the three months ended September 30, 2010, an increase of 161%. Rolling Chip Turnover increased by \$3.6 billion, or 149%, in the three months ended September 30, 2011 as compared to that of the same period in 2010, principally as a result of the following factors:

- (i) the acquisition of King's Gaming effective November 1, 2010 and its network of agents;
- (ii) increased cage capital as a result of reinvesting profits, increased lines of credit from the casino license holders, increased shareholder loans, and the warrant exercise proceeds of \$35.5 million in October 2010; and
- (iii) the opening of the Iao Kun VIP room at the Galaxy Resort Macau on May 15, 2011.

Revenue for the three months ended September 30, 2011 from VIP gaming promotion increased in proportion to the increase in Rolling Chip Turnover due to all VIP rooms earning 100% of revenues on a fixed 1.25% commission on Rolling Chip Turnover. Revenues from VIP gaming promotion, as a percentage of Rolling Chip Turnover, increased 0.06% to 1.25% during the three months ended September 30, 2011, due to a lower win rate of 1.90% at the Iao Kun VIP room in MGM Hotel and Casino during the prior-year period; the VIP room at the MGM Hotel and Casino was closed on June 16, 2011.

AERL’s primary expense is commission to agents, which was \$47.2 million in the third quarter of 2011, up 155% from \$18.5 million in the third quarter of 2010. Commission to agents, as a percentage of Rolling Chip Turnover, was 0.79% in the third quarter of 2011, up from 0.77% in the third quarter of 2010 as a result of a higher percentage of commissions paid to non-marker agents and a smaller percentage of direct business in relation to the total Rolling Chip Turnover. Selling, general and administrative expense increased \$1.8 million in the third quarter of 2011 due to increased operating costs from the expanded operations at King’s Gaming and Galaxy Resort Macau, as well as increased management salaries and other costs.

Operating income after amortization of intangible assets and before change in fair value of contingent consideration grew 184% to \$21.3 million in the third quarter of 2011 from \$7.5 million in the same period of 2010 due primarily to higher revenue generated from increased Rolling Chip Turnover, organic growth, the reinvestment of accumulated earnings, increased lines of credit from the casino license holders, increased shareholder loans, the \$35.5 million from the exercise of warrants in October 2010 as additional cage capital and the acquisition of the VIP gaming room at the Venetian Macao-Resort-Hotel in connection with the Company's acquisition of King's Gaming and the opening of the VIP gaming room at Galaxy Resort Macau in May 2011.

Non-GAAP income before amortization of intangible assets and change in fair value of contingent consideration was \$22.5 million for the three months ended September 30, 2011 as compared to \$7.5 million for the three months ended September 30, 2010.

Nine months ended September 30, 2011 compared to nine months ended September 30, 2010

The following table sets forth certain information regarding the Company's unaudited results for the nine months ended September 30, 2011 and 2010 (all figures are in \$ thousands except percentages).

	For the Nine Months Ended September 30, 2011	For the Nine Months Ended September 30, 2010	2011 to 2010
Rolling Chip Turnover	\$ 14,356,000	\$ 6,734,000	113%
Revenue from VIP gaming operations	\$ 180,870	\$ 83,941	115%
Commission to agents	\$ 111,481	\$ 49,510	125%
Selling, general and administrative expenses	\$ 11,640	\$ 6,962	67%
Operating income after amortization of intangible assets (including pre-acquisition income) and before change in fair value of contingent consideration	\$ 52,520	\$ 26,656	97%

Revenue from VIP gaming promotion was \$180.9 million for the nine months ended September 30, 2011, as compared to \$83.9 million for the nine months ended September 30, 2010, an increase of 115%. Rolling Chip Turnover increased by \$7.6 billion, or 113%, in the nine months ended September 30, 2011 as compared to that of the same period in 2010, principally as a result of the following factors:

- (i) the acquisition of King's Gaming effective November 1, 2010 and its network of agents;
- (ii) increased cage capital as a result of, reinvesting profits, increased lines of credit from the casino license holders, increased shareholder loans, and the warrant exercises proceeds of \$35.5 million in October 2010; and
- (iii) the opening of the Iao Kun VIP Room at the Galaxy Resort Macau on May 15, 2011.

Revenue for the nine months ended September 30, 2011 from VIP gaming promotion increased in proportion to the increase in Rolling Chip Turnover due to the majority of the Company's business earning revenues on a fixed 1.25% commission on Rolling Chip Turnover. Revenues from VIP gaming promotion, as a percentage of Rolling Chip Turnover, increased 0.01% to 1.26% during the nine months ended September 30, 2011, due to the majority of the Company's business earning revenues on a fixed 1.25% commission and a higher win rate of 4.21% at the Iao Kun VIP room in MGM Hotel and Casino during the nine months ended September 30, 2011; the VIP room at the MGM Hotel and Casino was closed on June 16, 2011.

Commission to agents was \$111.5 million for the nine months ended September 30, 2011, up 125% from \$49.5 million in the prior-year period. Commission to agents, as a percentage of Rolling Chip Turnover, was 0.78% for the nine months ended September 30, 2011, up from 0.74% in the prior-year period as a result of a higher percentage of commissions paid to non-marker agents and a smaller percentage of direct business in relation to the total Rolling Chip Turnover. Selling, general and administrative expense increased \$4.7 million for the nine months ended September 30, 2011 due to increased operating costs from the expanded operations at King's Gaming and Galaxy Resort Macau, as well as increased management salaries and other costs.

Operating income after amortization of intangible assets and before change in the fair value of contingent consideration was \$52.5 million for the nine months ended September 30, 2011 as compared to income of \$26.7 million, including pre-acquisition profit for the nine months ended September 30, 2010, an increase of approximately 97%, principally as a result of (i) the Macau gaming markets continued recovery from the impact of the global economic crisis; (ii) the acquisition of King's Gaming effective November 1, 2010 and its network of agents; (iii) increased cage capital as a result of reinvesting profits, increased lines of credit from the casino license holders, increased shareholder loans, and the warrant exercise proceeds of \$35.5 million in October 2010, and (iv) the opening of the Iao Kun VIP Room at the Galaxy Resort Macau on May 15, 2011.

Non-GAAP income before amortization of intangible assets and change in fair value of contingent consideration related to the acquisition of King's Gaming was \$56.3 million for the nine months ended September 30, 2011 as compared to income, including pre-acquisition profit, of \$26.7 million for the nine months ended September 30, 2010.

Non-GAAP Financial Measure

AERL's calculation of non-GAAP income (operating income before amortization of intangible assets and change in fair value of contingent consideration) and Non-GAAP EPS for the three and nine months ended September 30, 2011, differs from EPS based on net income because it does not include amortization of intangible assets and change in fair value of contingent consideration. The Company uses this information internally in evaluating its operations and believes this information is important to investors because it provides a complete picture of its operations for the entire period and is more accurately comparable to the prior-year period. Notwithstanding the foregoing, Non-GAAP income and EPS should not be considered an alternative to, or more meaningful than, net income and EPS as determined in accordance with GAAP. The following is a reconciliation of AERL's net income to Non-GAAP income and GAAP EPS to the Company's Non-GAAP EPS:

	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2011
Net Income attributable to ordinary shareholders	\$ 26,863,081	\$ 60,897,002
Amortization of intangible assets	1,263,069	3,792,795
Change in fair value of contingent consideration	<u>(5,606,357)</u>	<u>(8,377,040)</u>
Non-GAAP income (before amortization of intangible assets and change in fair value of contingent consideration)	<u>\$ 22,519,793</u>	<u>\$ 56,312,757</u>

Note: for 2010, GAAP and non-GAAP income are the same for each period presented.

	For the Three Months Ended September 30, 2011		For the Nine Months Ended September 30, 2011	
	Basic	Fully Diluted	Basic	Fully Diluted
Earnings per share attributable to ordinary shareholders	\$ 0.69	\$ 0.68	\$ 1.63	\$ 1.61
Amortization of intangible assets	0.03	0.03	0.10	0.10
Change in fair value of contingent consideration	(0.14)	(0.14)	(0.22)	(0.22)
Non-GAAP Earnings per share (before amortization of intangible assets and change in fair value of contingent consideration)	\$ 0.58	\$ 0.57	\$ 1.50	\$ 1.49

Cash Flow and Balance Sheet Highlights

As of September 30, 2011, total available cage capital was approximately \$227.3 million. The total available cage capital is comprised of markers receivable of approximately \$216.6 million and cash, cash chips and non-negotiable chips of approximately \$10.7 million. Financing from AERL's related parties was \$64.1 million as of September 30, 2011.

As of September 30, 2011, AERL had a total cash balance of \$11.1 million. Cash used in operations was \$1.7 million for the nine months ended September 30, 2011 compared to cash used in operations of \$32.7 million in the same period in 2010 as a result of the implementation by the Promoter Companies to fund the marker system with agents and lines of credit increased from the Casino. Additional cash used for providing markers was \$96.4 million during the nine months ended September 30, 2011 compared to \$67.0 million for the same period in 2010.

Outlook for 2011

For the first ten months of 2011, AERL's Rolling Chip Turnover averaged \$1.647 billion per month. The Company's Rolling Chip Turnover year-to-date through October 2011 in Macau was \$16.471 billion, an increase of 109% year-over-year, compared to \$7.882 billion for the first ten months of 2010.

Chairman Lam further stated, "Due to the successful additions of the VIP gaming room at the Venetian Macao-Resort-Hotel and our latest VIP gaming room at the Galaxy Resort Macau, we continue to forecast high double-digit growth in Rolling Chip Turnover for 2011. From October until the end of the year, we are raising our Rolling Chip Turnover guidance for our three existing VIP rooms in Macau to an average of \$1.8 billion per month (from previous guidance of an average of \$1.7 billion per month)."

"With our continued strong performance carrying into the fourth quarter, we now expect to be at the high end of our Non-GAAP income guidance of \$70 million to \$77 million for 2011, based on the current and expected performance of our existing three VIP gaming rooms in Macau," concluded Chairman Lam.

Casino Revenue Compensation Methods

In Macau, two remuneration methods are used to compensate VIP room gaming promoters. On a fixed commission basis, VIP room gaming promoter revenues are based on an agreed percentage of Rolling Chip Turnover. On a win/loss split basis, the VIP room gaming promoter receives an agreed percentage of the "win" in the VIP gaming room (plus certain incentive allowances), and is required to also bear the same percentage of loss that might be incurred. Compared to the fixed commission basis, the win/loss split basis subjects the VIP room gaming promoter to the risk of losses from the gaming patron's activity and greater volatility.

AERL conducts all of its business on a fixed commission basis - the VIP room at the MGM Hotel and Casino, which was the last room that AERL operated on a win/loss split basis, was closed on June 16, 2011 to focus the Company's resources and marketing efforts to increase the number of patrons and amount of play in its 1.25% fixed commission VIP gaming rooms. Consequently, in order to increase the Rolling Chip Turnover, the Company reinvests its net income to increase the amount of cage capital available to finance increased patron activity.

Definition of Rolling Chip Turnover

Rolling Chip Turnover is used by casinos to measure the volume of VIP business transacted and represents the aggregate amount of bets players place. Bets are wagered with "non-negotiable chips" and winning bets are paid out by casinos in so-called "cash" chips. "Non-negotiable chips" are specifically designed for VIP players to allow casinos to calculate the commission payable to VIP room gaming promoters. Commissions are paid based on the total amount of "non-negotiable chips" purchased by each player. VIP room gaming promoters therefore require the players to "roll," from time to time, their "cash chips" into "non-negotiable" chips for further betting so that they may receive their commissions (hence the term "Rolling Chip Turnover"). Through the promoters, "non-negotiable chips" can be converted back into cash at any time. Betting using rolling chips, as opposed to using cash chips, is also used by the DICJ (Macau Gaming Control Board) to distinguish between VIP table revenue and mass market table revenue.

About Asia Entertainment & Resources Ltd.

AERL, formerly known as CS China Acquisition Corp., acquired Asia Gaming & Resort Limited ("AGRL") on February 2, 2010. AERL is a holding company which operates through its subsidiaries and related promoter companies as a VIP room gaming promoter, and is entitled to receive all of the profits of the VIP gaming promoters from VIP gaming rooms. AERL's VIP room gaming promoters currently participate in the promotion of three major luxury VIP gaming facilities in Macau, China, the largest gaming market in the world. One VIP gaming facility is located in the luxury 5-star hotel, the Star World Hotel & Casino in downtown Macau, which is operated by Galaxy Casino, S.A. Another VIP gaming room is located in the all new Galaxy Resort Macau in Cotai, which is operated by Galaxy Casino, S.A. The third VIP gaming room is located at the Venetian Macao-Resort-Hotel in Cotai.

Forward-Looking Statements

This press release includes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements, based upon the current beliefs and expectations of AERL's management, are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "plan," "point to," "project," "could," "intend," "target" and other similar words and expressions of the future. There are numerous risks and uncertainties that could cause actual results and AERL's plans and objectives to differ materially from those expressed in the forward-looking information, including (i) adverse market conditions; (ii) any adverse occurrence in Macau or the gaming industry generally; and (iii) changes in the

regulatory environment. Investors and potential investors should consult all of the information set forth herein and should also refer to the risk factors set forth in AERL's Annual Report on Form 20-F filed on May 6, 2010, the amendment to the annual report filed on July 29, 2010, and other reports filed or to be filed from time-to-time with the Securities and Exchange Commission.

**ASIA ENTERTAINMENT & RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS**

	September 30, 2011	December 31, 2010
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,088,582	\$ 13,843,622
Accounts Receivable, Net	23,215,680	10,802,582
Markers Receivable	216,555,311	120,140,393
Prepaid Expenses and Other Assets	393,314	152,869
Total Current Assets	251,252,887	144,939,466
Intangible Assets (net of accumulated amortization of \$4,630,823 at September 30, 2011 and \$842,712 at December 31, 2010, respectively)	56,170,984	60,110,307
Goodwill	14,971,191	15,008,424
TOTAL ASSETS	\$ 322,395,062	\$ 220,058,197
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Lines of Credit Payable	\$ 56,730,168	\$ 11,840,640
Accrued Expenses	16,983,810	10,815,135
Payable-King's Gaming Acquisition, current portion	11,819,731	12,835,395
Loan Payable, Shareholders, current	4,082,259	61,066,220
Total Current Liabilities	89,615,968	96,557,390
Loan Payable, Shareholders	60,000,000	-
Long-term Payable-King's Gaming Acquisition, net of current portion	30,540,355	38,022,169
Total Liabilities	180,156,323	134,579,559
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred Shares, \$0.0001 par value Authorized 1,150,000 shares; none issued	-	-
Ordinary Shares, \$0.0001 par value Authorized 200,000,000 shares; issued and outstanding 38,804,064 at September 30, 2011, 22,544,064 at December 31, 2010	3,881	2,255
Additional Paid-in Capital	52,581,098	52,581,098
Retained Earnings	89,951,789	32,936,819
Accumulated Other Comprehensive Income	(298,029)	(41,534)
Total Shareholders' Equity	142,238,739	85,478,638
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 322,395,062	\$ 220,058,197

ASIA ENTERTAINMENT & RESOURCES LTD
CONSOLIDATED STATEMENTS OF OPERATIONS
AND OTHER COMPREHENSIVE INCOME
(Unaudited)

	<u>For the Three Months Ended September 30, 2011</u>	<u>For the Three Months Ended September 30, 2010</u>	<u>For the Nine Months Ended September 30, 2011</u>	<u>For the Nine Months Ended September 30, 2010</u>
Revenue from VIP gaming operations	\$ 74,413,996	\$ 28,533,177	\$ 180,870,093	\$ 83,941,149
Expenses				
- Commission to agents	47,198,390	18,491,782	111,481,366	49,509,822
- Selling, general and administrative expenses	4,100,589	2,305,857	11,640,203	6,961,674
- Special Rolling Tax	595,224	239,418	1,435,767	673,595
- Amortization of intangible assets	1,263,069	-	3,792,795	-
- NASDAQ listing expenses	-	-	-	140,000
Total Expenses	<u>53,157,272</u>	<u>21,037,057</u>	<u>128,350,131</u>	<u>57,285,091</u>
Operating income including pre-acquisition profit before change in fair value of contingent consideration	21,256,724	7,496,120	52,519,962	26,656,058
Prior owners' interest in pre-acquisition profit	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,329,385)</u>
Operating income attributable to ordinary shareholders before change in fair value of contingent consideration	21,256,724	7,496,120	52,519,962	22,326,673
Change in fair value of contingent consideration for acquisition of King's Gaming	<u>5,606,357</u>	<u>-</u>	<u>8,377,040</u>	<u>-</u>
Net Income Attributable to Ordinary Shareholders	<u><u>26,863,081</u></u>	<u><u>7,496,120</u></u>	<u><u>60,897,002</u></u>	<u><u>22,326,673</u></u>
Other Comprehensive (Loss) Income				
Foreign Currency				
- Translation adjustment	<u>(153,735)</u>	<u>65,775</u>	<u>(256,495)</u>	<u>41,519</u>
Total Other Comprehensive Income	<u><u>\$ 26,709,346</u></u>	<u><u>\$ 7,561,895</u></u>	<u><u>\$ 60,640,507</u></u>	<u><u>\$ 22,368,192</u></u>
Net Income Per Share				
Basic	<u><u>\$ 0.69</u></u>	<u><u>\$ 0.59</u></u>	<u><u>\$ 1.63</u></u>	<u><u>\$ 1.80</u></u>
Diluted	<u><u>\$ 0.68</u></u>	<u><u>\$ 0.53</u></u>	<u><u>\$ 1.61</u></u>	<u><u>\$ 1.29</u></u>
Weighted average shares outstanding				
Basic	<u><u>38,824,025</u></u>	<u><u>12,810,908</u></u>	<u><u>37,436,113</u></u>	<u><u>12,378,633</u></u>
Diluted	<u><u>39,229,556</u></u>	<u><u>14,135,903</u></u>	<u><u>37,910,394</u></u>	<u><u>17,313,430</u></u>

Conference Call and Replay Information

AERL will conduct a conference call to discuss the financial results on Tuesday, November 15 at 10:00AM EST/11:00PM Macau. To participate, please dial one of the following numbers at least 10 minutes prior to the scheduled start of the call:

1-877-548-7911 (United States/Canada)
10-800-714-1511 (North China)
10-800-140-1377 (South China)
800-968-835 (Hong Kong)
800-101-2323 (Singapore)
0808-101-7162 (United Kingdom)
1-719-325-4919 (Other International)

Interested parties may also access the live call on the Internet at www.aerlf.com (select Events and Presentations). Following its completion, a replay of the call can be accessed on the Internet at the above link or for one week by calling either 1-877-870-5176 (U.S. callers) or 1-858-384-5517 (International callers) and providing conference ID 4011168.

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