

ASIA ENTERTAINMENT & RESOURCES LTD. ANNOUNCES FOURTH QUARTER AND 2010 FINANCIAL RESULTS

Hong Kong, China – April 1, 2011 – Asia Entertainment & Resources Ltd. (AERL) (NASDAQ: AERL), which operates through its subsidiaries and related promoter companies as VIP room gaming promoters, today announced unaudited financial results for the three-month period and audited financial results for the year ended December 31, 2010. All currency amounts are stated in United States dollars.

Financial Highlights for the Three Months (unaudited) and the Year Ended December 31, 2010 (audited)

- Rolling Chip Turnover (a metric used by casinos to measure the aggregate amount of players' bets and overall volume of VIP gaming room business transacted that is defined below) for the three months and year ended December 31, 2010 in our VIP gaming rooms in Macau was \$3.7 billion and \$10.4 billion, respectively, up 93% and 101% year-over-year, compared to \$1.9 billion and \$5.2 billion in the same periods of 2009.
- Revenue for the three months and year ended December 31, 2010 was \$43.1 million and \$127.0 million, respectively, up 102% and 110% from \$21.3 million and \$60.5 million in the same periods of 2009.
- Income including pre-acquisition profit and before amortization grew 100% to \$11.5 million and 145% to \$38.1 million, respectively, in the three months and year ended December 31, 2010 from \$5.7 million and \$15.5 million in the same periods of 2009, due to the shift toward a more commission-based business for 2010, organic growth, an increase in cage capital due to the \$35.5 million warrant exercise, and the addition of the VIP gaming room at the Venetian Macao-Resort-Hotel. Of note, the Lao Kun VIP room at the MGM Hotel and Casino had a win rate in 2010 below the normalized win rate of 2.90%. If it had a fixed commission (equivalent to the normal 2.90% win rate) in 2010, the earnings derived from the chips turnover at the VIP room would increase by approximately \$3.3 million for the full year 2010.
- Non-GAAP earnings per share (EPS) derived from income including pre-acquisition profit and before amortization for the year ended December 31, 2010 was \$2.69, based on a basic weighted average share count of 14,177,408, and \$2.17 based on a fully diluted weighted average share count of 17,571,255.
- GAAP EPS for the three months and year ended December 31, 2010 (based on net income after deduction of \$4.3 million pre-acquisition profit) was \$0.54 and \$2.33, respectively, based upon the basic weighted average share counts of 19,513,341 and 14,177,408, respectively, and \$0.33 and \$1.88, respectively, based upon fully diluted weighted average share counts of 32,024,708 and 17,571,255, respectively.
- Total available cage capital at the end of the fourth quarter was approximately \$132.5 million, up 46.2% from \$90.7 million at the end of the third quarter of 2010. The total available cage capital is comprised of markers receivable of \$120.1 million and cash, cash chips and non-negotiable chips of \$12.4 million.

AERL Chairman Lam stated, "2010 was a strong year for our company, with triple-digit revenue growth during the year, primarily due to our ability to increase the Rolling Chip Turnover for our VIP gaming rooms in Macau, as well as the addition of the VIP gaming room at the Venetian Macao-Resort-Hotel in November. For 2010, AERL generated 110% year-over-year revenue growth, exceeding the overall growth in Macau of 58% according to the Macau Gaming Inspection and Coordination Bureau (DICJ), while our income including pre-acquisition profit and before amortization increased 145% from last year. In addition, for 2010, there was approximately \$10.4 billion in Rolling Chip Turnover, representing 101% year-over-year growth. We are seeing continued strength thus far in the new year and we expect strong double-digit growth in Rolling Chip Turnover for the full year 2011."

Mr. Lam further stated, "Overall performance in the fourth quarter 2010 met our expectations, enhanced by the acquisition of the VIP gaming room at the Venetian in November, which helped lead to a triple-digit Rolling Chip Turnover increase for combined November and December. Going forward, we expect strong organic growth to continue and to open new VIP rooms at additional hotels/resorts when further opportunities arise."

The financial figures included in this announcement cover AERL's audited financial results for the year ended December 31, 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 year ended December 31, 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.

Fourth Quarter 2010 Compared to Fourth Quarter 2009 (Unaudited)

The following table sets forth certain information regarding AERL's unaudited results for the fourth quarter of 2010 and the fourth quarter of 2009 (all figures are in thousands, except ratios and percentages):

	4Q2010	4Q2009	4Q2010 to 4Q2009
Rolling Chip Turnover	\$ 3,689,021	\$ 1,908,906	93%
Revenue from VIP gaming operations	\$ 43,095	\$ 21,319	102%
Commission to agents	\$ 27,098	\$ 13,678	98%
Selling, general and administrative expenses	\$ 4,145	\$ 1,716	142%
Income including pre-acquisition profit and before amortization	\$ 11,483	\$ 5,734	100%
Revenue from VIP gaming operations/Rolling Chip Turnover	1.17%	1.12%	
Commission to agents/Rolling Chip Turnover	0.73%	0.72%	
Selling, general and administrative expenses/Rolling Chip Turnover	0.11%	0.09%	
Income (including pre-acquisition profit)/Revenue from VIP gaming operations	26.65%	26.90%	
Income (including pre-acquisition profit)/Rolling Chip Turnover	0.31%	0.30%	

The 93% increase in Rolling Chip Turnover was primarily due to the November 2010 acquisition of a VIP gaming room at the Venetian Macao-Resort-Hotel on the Cotai Strip, overall growth of the Macau gaming markets and the reinvestment of accumulated earnings and the \$35.5 million from the exercise of warrants as additional working capital at the cage, which has enabled AERL to increase the availability of Rolling Chips and accommodate additional patrons.

Revenue for the fourth quarter of 2010 was \$43.1 million, a 102% increase from \$21.3 million in the same period of 2009. Fourth quarter of 2010 net revenue as a percent of Rolling Chip Turnover was 1.17%, increasing from 1.12% in the fourth quarter of 2009 due primarily to the mix shift toward more commission-based business and the overall low win rate for the fourth quarter 2009 at the VIP room at the MGM Hotel and Casino.

AERL's primary expense is commissions to agents, which was \$27.1 million in the fourth quarter of 2010, up 98% from \$13.7 million in the fourth quarter of 2009. The commissions to agents, as a percentage of Rolling Chip Turnover, was 0.73% in the fourth quarter of 2010, up from 0.72% in the fourth quarter of 2009 as a result of a

higher percentage of commissions paid to non-marker agents. Selling, general and administrative expense, as a percentage of Rolling Chip Turnover, was 0.11% in the fourth quarter of 2010, an increase from 0.09% in the fourth quarter of 2009 as a result of additional corporate overhead and professional fees.

Income including pre-acquisition profit and before amortization grew 100% to \$11.5 million in the fourth quarter of 2010 from \$5.7 million in the same period of 2009 due primarily to higher revenue generated from increased Rolling Chip Turnover, organic growth, the reinvestment of accumulated earnings and the \$35.5 million from the exercise of warrants as additional cage capital and the acquisition of the VIP gaming room at the Venetian Macao-Resort-Hotel.

Income (including pre-acquisition profit and before amortization) margin as a percentage of total revenue was 26.6% in the fourth quarter of 2010, down from 26.9% in the fourth quarter of 2009 due to increased corporate overhead and professional fees. Income (including pre-acquisition profit and before amortization) margin as a percentage of Rolling Chip Turnover was 0.31% for the fourth quarter of 2010, up slightly from 0.30% in fourth quarter of 2009, due primarily to the mix shift toward more commission-based business.

EPS for the fourth quarter of 2010 was \$0.54 based on a basic weighted average share count of 19,513,341, and \$0.33 based on a fully diluted weighted average share count of 32,024,708.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

The following table sets forth certain information regarding AERL's audited results for 2010 and 2009 (all figures are in thousands, except ratios and percentages):

	2010	2009	2010 to 2009
Rolling Chip Turnover	\$ 10,423,462	\$ 5,192,657	101%
Revenue from VIP gaming operations	\$ 127,036	\$ 60,480	110%
Commission to agents	\$ 76,608	\$ 39,146	96%
Selling, general and administrative expenses	\$ 11,247	\$ 5,271	113%
Income including pre-acquisition profit and before amortization	\$ 38,139	\$ 15,545	145%
Revenue from VIP gaming operations/Rolling Chip Turnover	1.22%	1.16%	
Commission to agents/Rolling Chip Turnover	0.73%	0.75%	
Selling, general and administrative expenses/Rolling Chip Turnover	0.11%	0.10%	
Income including pre-acquisition profit and before amortization/Revenue from VIP gaming operations	30.02%	25.70%	
Income including pre-acquisition profit and before amortization/Rolling Chip Turnover	0.37%	0.30%	

Revenue for the year ended December 31, 2010 was \$127.0 million, a 110% increase from \$60.5 million in 2009, mainly due to the increase in Rolling Chip Turnover, organic growth, the reinvestment of accumulated earnings and the \$35.5 million from the exercise of warrants as additional cage capital and the acquisition of the VIP gaming room at the Venetian Macao-Resort-Hotel. Revenue as a percent of Rolling Chip Turnover for the year ended December 31, 2010 was 1.22%, up from 1.16% in 2009 due primarily to the mix shift toward more commission-based business and the overall low win rate of 2.45% for the full year 2009.

Commissions to agents were \$76.6 million for the year ended December 31, 2010, up 96% from \$39.1 million in the prior year. The commissions to agents, as a percentage of Rolling Chip Turnover, was 0.73% in the year ended December 31, 2010, down from 0.75% for the year ended December 31, 2009 as a result of Macau government policy to cap the commission that the casinos offer to the promoters. Selling, general and administrative expense,

as a percentage of Rolling Chip Turnover, was 0.11% for the year ended December 31, 2010, a slight increase from 0.10% in the prior-year period as a result of higher administrative overhead and professional fees.

Income including pre-acquisition profit and before amortization grew 145% to \$38.1 million for the year ended December 31, 2010 from \$15.5 million in 2009, including \$4.3 million attributable to the owners of the VIP room gaming promoters for the period of January 1, 2010 to February 2, 2010, due primarily to the mix shift toward more commission-based business, organic growth, the reinvestment of accumulated earnings and the \$35.5 million from the exercise of warrants as additional cage capital and the acquisition of the VIP gaming room at the Venetian Macao-Resort-Hotel.

Income (including pre-acquisition profit and before amortization) margin as a percentage of total revenue was 30.0%, increasing from 25.7% in 2009. Net income (including pre-acquisition profit) margin as a percentage of Rolling Chip Turnover was 0.37% for the year ended December 31, 2010, an increase from 0.30% in 2009. The net income margin increased mainly due to the transition to a more fixed commission business and the overall low win rate during 2009.

Non-GAAP EPS derived from net income (including pre-acquisition profit and before amortization) for the year ended December 31, 2010 was \$2.69 based on a basic weighted average share count of 14,177,408 and \$2.17 based on a fully diluted weighted average share count of 17,571,255. For the year ended December 31, 2010, on GAAP net income of \$33.0 million (excluding \$4.3 million pre-acquisition profit and before amortization), AERL had basic EPS of \$2.33 and fully diluted EPS of \$1.88.

Cash Flow and Balance Sheet Highlights

As of December 31, 2010, total available cage capital was approximately \$132.5 million. AERL's related parties have increased financing from \$58.0 million as of September 30, 2010 to \$61.1 million for the quarter ended December 31, 2010, an increase of \$3.1 million, which was due to high business volume and Rolling Chip Turnover and which further demonstrates the continuing commitment from the principals to the success of the operations.

As of December 31, 2010, AERL had a total cash balance of \$13.8 million. Cash used in operations as a result of the implementation by the Promoter Companies to fund the marker system with agents was \$76.5 million for the year ended December 31, 2010. Prior to the acquisition, the Promoter Companies did not extend credit to junket agents. Previously, the operations of the cage, which is where cash, non-negotiable and cash chips transactions and extension of credit occur, were owned by the individual owners of the Promoter Companies. Subsequent to the acquisition of AGRL by AERL, the operations and extension of credit by the cage became controlled by the Group through the Promoter Companies. Cash used for markers receivable was \$120.1 million during the year ended December 31, 2010.

Outlook for 2011

For the first two months of 2011, AERL's Rolling Chip Turnover averaged \$1.386 billion per month. The Company's Rolling Chip Turnover year-to-date through February 2011 in Macau was \$2.772 billion, an increase of 99% year-over-year, compared to \$1.396 billion for the first two months of 2010.

Chairman Lam further stated, "Aided by the addition of the VIP gaming room at the Venetian Macao-Resort-Hotel, we are forecasting continued double-digit growth in Rolling Chip Turnover for 2011. We are raising Rolling Chip Turnover guidance for our three existing VIP rooms in Macau to \$1.3 billion per month, which equates to a total of \$15.6 billion for full year 2011, up from \$10.4 billion in 2010."

"We believe that for 2011, the large majority of the business will be on a fixed commission basis. We are raising our net income guidance to \$62 million to \$68 million for 2011 based on the current 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.

In the nine months ended September 30, 2009, all of AERL's business was on a win/loss split basis. However, to reduce the risks of losses and volatility, in the last quarter of 2009, AERL transitioned the VIP room in the Galaxy Star World in Downtown Macau to a fixed 1.25% commission on Rolling Chip Turnover. During the year ended December 31, 2010, AERL conducted the majority of business on a fixed commission basis. The VIP room at the MGM Grand Hotel and Casino continued to operate at an approximate 43% (including certain incentive allowances) win/loss split basis. At this rate, and assuming a win rate (the statistical percentage of the total amount bet that a casino wins) of 2.90%, AERL would have the same revenues at the MGM Grand Hotel and Casino as if it operated under a 1.25% fixed commission basis. However, if the win rate exceeded 2.90%, AERL would have more revenues than if it operated on the 1.25% fixed commission basis. Because the larger part of AERL's revenues is now directly related to Rolling Chip Turnover, the Company is concentrating its marketing efforts to increase the number of patrons and the amount of play at its VIP gaming room that operates under the 1.25% fixed commission basis. 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 make. 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 an investment 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 room is located at the top-tier MGM Grand Macau Casino in downtown Macau that is operated by the MGM Grand Paradise S.A. Another Macau 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. The third VIP gaming room is located at the Venetian Macao-Resort-Hotel on the Cotai Strip.

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. The gaming industry is characterized by an element of chance. Theoretical win rates for AERL's VIP room gaming promoters' VIP gaming room operations depend on a variety of factors, some beyond their control. In addition to the element of chance, theoretical win rates are also affected by other factors, including gaming patrons' skill and experience, the mix of games played, the financial resources of gaming patrons, the spread of table limits, the volume of bets placed by AERL's VIP room gaming promoters' gaming patrons and the amount of time gaming patrons spend on gambling — thus VIP gaming rooms' actual win rates may differ greatly over short time periods, such as from quarter to quarter, and could cause their quarterly results to be volatile. These factors, alone or in combination, have the potential to negatively impact the VIP gaming rooms' win rates.

ASIA ENTERTAINMENT & RESOURCES LTD. CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEETS

	December 31, 2010	December 31, 2009 (A)
Total Assets	<u>\$ 220,058,197</u>	<u>\$ 6,250,170</u>
Total Liabilities	<u>\$ 134,579,559</u>	<u>7,775,322</u>
Total Shareholders' Equity (Deficit)	<u>85,478,638</u>	<u>(1,525,152)</u>
Total Liabilities And Total Shareholders' Equity	<u>\$ 220,058,197</u>	<u>\$ 6,250,170</u>

(A) Represents the combined balance sheets of AGRL, its subsidiaries and VIP Gaming Promoters, the Accounting Acquirer.

ASIA ENTERTAINMENT & RESOURCES LTD
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS

	For the Three Months Ended December 31, 2010 <u>(unaudited)</u>	For the Three Months Ended December 31, 2009(A) <u>(unaudited)</u>	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009(A)
Revenue from VIP gaming operations	\$ 43,095,212	\$ 21,318,922	\$ 127,036,361	\$ 60,479,937
Expenses				
- Commission to agents	27,097,890	13,677,598	76,607,712	39,146,410
- Selling, general and administrative expenses	4,145,264	1,716,368	11,246,938	5,271,322
- Special Rolling Tax	368,805	190,884	1,042,400	516,742
Total Expenses	31,611,959	15,584,850	88,897,050	44,934,474
Income including pre-acquisition profit and before amortization	11,483,253	5,734,072	38,139,311	15,545,463
Prior owners' interest in pre-acquisition profit	-	(5,738,895)	(4,329,385)	(15,563,968)
Income (loss) attributable to ordinary shares before amortization	11,483,253	(4,823)	33,809,926	(18,505)
Amortization of intangible assets	(843,061)	-	(843,061)	-
Net Income (Loss) Attributable To Ordinary Shareholders	<u>10,640,192</u>	<u>(4,823)</u>	<u>32,966,865</u>	<u>(18,505)</u>
Other Comprehensive Income (Loss)				
Foreign Currency				
- Translation adjustment	(83,053)	-	(41,434)	-
Total Other Comprehensive Income (Loss)	<u>\$ 10,559,139</u>	<u>\$ (4,823)</u>	<u>\$ 32,925,331</u>	<u>\$ (18,505)</u>
Net Income Per Share				
Basic	\$ 0.54	\$ *	\$ 2.33	\$ *
Diluted	\$ 0.33	\$ *	\$ 1.88	\$ *
Weighted average shares outstanding				
Basic	19,513,341	10,350,000	14,177,408	10,350,000
Diluted	32,024,708	10,350,000	17,571,255	10,350,000
* -Less than \$0.01 per share				

(A) Represents the combined statements of operations of AGRL, its subsidiaries and VIP Gaming Promoters, the Accounting Acquirer.

Non-GAAP Financial Measure

Our calculation of non-GAAP earnings per share derived from net income (including pre-acquisition profit and adds the impact of amortization of intangibles) for the year ended December 31, 2010, differs from earnings per share based on net income because it includes all income derived from the operations for the entire period presented (the period prior to the acquisition of the operating business is excluded from our financial statements and adds the impact of amortization of intangibles). We use this information internally in evaluating our operations and believe this information is important to investors because it provides a complete picture of our operations for the entire period, and is more accurately comparable to the prior-year period. Notwithstanding the foregoing, however, earnings per share derived from net income (including pre-acquisition profit and before amortization) should not be considered an alternative to, or more meaningful than, earnings per share as determined in accordance with GAAP. The following is a reconciliation of our GAAP income and our Non-GAAP income including pre-acquisition profit and before amortization as well as a reconciliation of our GAAP EPS to our Non-GAAP EPS derived from income (including pre-acquisition profit and before intangible amortization):

	For the Year Ended December 31, 2010	
GAAP Net Income	\$	32,966,865
Amortization of intangible assets		843,061
Impact of pre-acquisition profit		<u>4,329,385</u>
Income including pre-acquisition profit and before amortization	\$	<u><u>38,139,311</u></u>

	For the Year Ended December 31, 2010			
	<u>Basic</u>		<u>Fully Diluted</u>	
GAAP earnings per share	\$	2.33	\$	1.88
Plus: Amortization of intangible assets		0.06		0.05
Plus: Impact of pre-acquisition profit		<u>0.30</u>		<u>0.24</u>
Earnings per share (including pre-acquisition profit and before amortization)	\$	<u><u>2.69</u></u>	\$	<u><u>2.17</u></u>

Conference Call and Replay Information

AERL will conduct a conference call to discuss the financial results for the three-month period and year ended December 31, 2010 on Friday, April 1, 2011 at 11:00AM EDT/ 11:00PM Macau. To participate, please dial one of the local access numbers, listed below, ten minutes prior to the scheduled start of the call.

The conference call identification number is 56085973.

International Toll Dial-In Number: + 61288236760

Local Dial-In Number(s)

China, Domestic 4006988166

China, Domestic 8008700816

Hong Kong 85227598661

Singapore 6567226342

United States +1 866 242 1388

Contact:

Asia Entertainment & Resources Ltd.

James Preissler, +1 646 450 8808

preissj@aerlf.com

William Schmitt, ICR

203-682-8294

william.schmitt@icrinc.com