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**\$25 MILLION RECOVERY ZONE FACILITY BONDS JUMP START FINANCING FOR
MUCH-ANTICIPATED KALAHARI RESORT IN FREDERICKSBURG, VA**

-Bonds integral part of underwriting \$260 million resort, additional financing still needed-

WISCONSIN DELLS, Wis. (January 19, 2010)- Kalahari Resorts is one step closer to unveiling its third waterpark resort and bringing a wave of tax dollars and jobs to the Fredericksburg, Va. area, thanks to \$25 million in bonds from the state of Virginia.

The \$260 million project, planned for the Celebrate Virginia tourism district which spans 2,400 acres along the Interstate-95 corridor between Washington D.C. and Richmond, Va., was announced in November 2007 and has been on hold due to the financing challenges in the current economic landscape. Kalahari Resort-Virginia plans include an 832-room hotel, 200,000-square-foot indoor waterpark (America's largest), 100,000-square-foot indoor theme park, 100,000-square foot convention center, four restaurants, spa and fitness center and 10,000 square feet of retail space.

According to Todd Nelson, president and owner of Kalahari Resorts which currently has properties in Wisconsin Dells, Wis. and Sandusky, Ohio, the company has invested \$4 million in development costs and is 100 percent committed to opening Kalahari Resort-Virginia. "Although there is still work to be done to secure the remainder of our financing, these bonds demonstrate a strong commitment to this project from both the city of Fredericksburg and the state of Virginia and we consider this a victory," says Nelson.

The tax-exempt Recovery Zone Facility Bonds allocated to Kalahari Resorts were made available by the state of Virginia for private projects in areas under economic stress and, although Kalahari Resorts will be responsible for the debt, the bonds were applied for by the city of Fredericksburg's Economic Development Authority. Kalahari Resort's allocation was the largest allocation to a single project by the state.

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Kalahari Resort-Virginia will be the largest tourism project to come to Virginia since 1975 and is expected to bring in more than 500,000 guests per year which will contribute \$174.1 million to the Fredericksburg regional economy, according to a March 2009 *Economic Impact Assessment* by Strategic Advisory Group. The resort is also expected to support 2,706 jobs of which 1,200 are full and part-time positions at Kalahari Resort.

“The economic stimulus for the Fredericksburg area and the state of Virginia will begin the minute we break ground,” Nelson says. “We expect the project to take 1.5 million construction hours to build and 85 to 90 percent of our construction dollars will go to Virginia contractors.”

The bond application states that Kalahari Resorts must begin construction by June 30, 2010. The project is expected to take approximately 21 months to complete which would put the grand opening in March 2012.

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About Kalahari Resorts

Kalahari Resorts in Wisconsin Dells, Wis. and Sandusky, Ohio deliver a “world-away” waterpark resort and conference experience beyond expectations. The authentically African-themed Kalahari Resorts, privately-owned by the Nelson family, are home to America’s largest indoor waterparks. All Kalahari resorts feature well-appointed guestrooms, full-service Spa Kalahari, a fully equipped fitness center, on-site restaurants, unique retail shops, and a state-of-the-art conference center. For reservation and guest information, call 1-877-KALAHARI (525-2427) or visit: www.KalahariResorts.com. To review Kalahari Resorts’ electronic press kit, visit: www.kalahariresortsgobig.com.