



**FY2006 PRELIMINARY UNAUDITED RESULTS
SIGNIFICANT TURNAROUND FROM \$604K LOSS TO \$1M+ NPBT**

EBITDA EXPECTED TO EXCEED \$3 MILLION • ANOTHER CASH POSITIVE QUARTER

Leading gaming technology company eBet Limited (ASX: EBT) ("eBet") today announced preliminary unaudited results for FY2006 which indicate a \$1 million+ NPBT, a significant improvement on last year's result of \$(604,000). The Company said it expected EBITDA to exceed \$3 million, a 44% increase on the prior year.

Managing Director and CEO, Mr. Tony Toohey, said that the result was driven by strong growth in sales of the Company's unique gaming technologies in overseas markets. He said he believed that eBet was at the early stage of maximizing its international growth.

"The Company has already sold systems in the US, New Zealand, Singapore, the Philippines, Greece, Russia and Korea and further growth is expected in coming months", said Mr. Toohey. He added that major potential for expansion existed in Europe and South America, where the Company was now exploring opportunities and alliances.

Unaudited results show revenue grew by approximately 15% year-on-year to around \$19.1 million, whilst margins were maintained and Operating Expenses increased by less than 6%.

Mr. Toohey said that international growth continued to be underpinned by eBet's dominant position in the NSW gaming systems market and new opportunities in Queensland. He said a key positive had been the growth in recurring revenues, which totaled approximately \$4.5million for the year.

The table below summarises the Company's Preliminary Unaudited Result to 30 June 2006.

	FY2005 (Audited)	FY2006 (Preliminary Unaudited)
Revenue	\$16,762,000	\$19.1M
Gross Profit	\$10,542,046	\$11.9M
Operating Expenses	\$8,429,551	\$8.9M
EBITDA	\$2,112,495	\$3.0M
Total Other Expenses (inc. ID&A)	\$2,717,011	\$2.0M
Net Profit Before Tax	\$(604,500)	\$1.0M

The Company said that its revenue growth was despite a slow first-half that was impacted by uncertainty regarding tax rates for the club industry in NSW. It said with this issue now resolved it was experiencing buoyant domestic sales, which coupled with its expansion in international markets has seen the Company achieve record sales in recent months, including a revenue result for June 2006 of \$2.8 million.

FY2007 Outlook Is Summarised as Follows:

- Profitability expected to continue and improve.
- Solid domestic sales of the Company's networked solutions for gaming machines expected to continue in NSW with significant growth potential in Queensland.
- Further Asian expansion likely through more sales in existing jurisdictions such as the Philippines and Korea and through sales in new jurisdictions throughout the region.
- Continued development of US linked-jackpot operations expected through refining the business model and seeking new casinos. The Company's linked-jackpot solution will be installed at Boronia Casino in Southern California next month.
- New opportunities anticipated for the Company's Internet-based wagering systems, which are sold to licensed gaming operators in international markets. The Company's contract with the NZ TAB expected to continue and likely to be extended, whilst new system opportunities are likely in North America and possibly Asia.
- The Company is now exploring opportunities and alliances across Europe and South America relative to its entire range of gaming systems and technologies.
- Recurring revenue from licensing and support fees and revenue participation agreements expected to continue to grow.

More detail is provided in a presentation to be made to investors today, a copy of which is attached here. www.ebetgamingsystems.com/aboutus/press.html

The Company also released its Appendix 4C Cashflow Statement for the Quarter ended 30 June 2006 today (copy attached) showing its sixth straight quarter of positive Operating Cashflow.

About eBet

eBet Limited is listed on the ASX (Symbol: EBT) with operations and contractual arrangements in Australia, New Zealand, the Philippines, Korea, Singapore, Greece, Russia and the USA.

eBet develops and markets a range of networked solutions for gaming machines. It is one of the world's largest gaming systems companies with more than 450 customers who collectively operate more than 40,000 gaming machines. Its card-based cashless gaming systems, player tracking and loyalty systems and data management solutions are installed in leading gaming venues in Australia, New Zealand, the Philippines, Korea, Singapore, Greece and Russia

eBet provides and operates linked-jackpot systems to some of the largest Native American Casinos in California, USA.

eBet also develops and supports Internet-based wagering systems for licensed operators in international markets. Its key customers are the New Zealand TAB and Penn National Gaming Inc. (NASDAQ: PENN).

Further Information: Tony Toohey
CEO & Managing Director
eBet Limited
+ 61 2 8817 4702

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000.

Name of entity

EBET LIMITED

ABN

59 056 210 774

Quarter ended ("current quarter")

30 June 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	4,168	18,475
1.2 Payments for		
(a) staff costs	(1,354)	(5,378)
(b) advertising and marketing	(49)	(167)
(c) research and development	0	0
(d) leased assets	0	0
(e) other working capital	(2,524)	(10,617)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	31	91
1.5 Interest and other costs of finance paid	(266)	(545)
1.6 Income taxes paid	0	0
1.7 Other (provide details if material)	0	0
Net operating cash flows	6	1,859

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	6	1,859
Cash flows related to investing activities		
1.9 Payment for acquisition of: (a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) Intellectual property	(288)	(936)
(d) physical non-current assets	(17)	(719)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of: (a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
Net investing cash flows	(305)	(1,655)
1.14 Total operating and investing cash flows	(299)	204
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	55
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings (unsecured)	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (repayment of unsecured borrowings)	0	0
1.20 Other (repayment of directors fees)	0	0
Net financing cash flows	0	55
Net increase (decrease) in cash held	(299)	259
1.21 Cash at beginning of quarter/year to date	2,909	2,351
1.22 Exchange rate adjustments to item 1.20	0	0
1.23 Cash at end of quarter	2,610	2,610

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	207
1.25 Aggregate amount of loans to the parties included in item 1.11	Nil
<p>1.26 Explanation necessary for an understanding of the transactions</p> <p>An amount of \$80,739 was made to Tony Toohey (Managing Director/CEO of eBet Limited) during the quarter for salary and entitlements.</p> <p>An amount of \$50,258 was made to Russell Scott (CFO/COO of eBet Limited) during the quarter for salary and entitlements.</p> <p>An amount of \$14,513 was made to Keith Cullen (Director of eBet Limited) during the quarter for Directors Fees.</p> <p>An amount of \$12,263 was made to Jeff Zulman (Director of eBet Limited) during the quarter for Directors Fees.</p> <p>An amount of \$48,755 was made to Mike Hale (Chairman of eBet Limited) during the quarter for directors fees relating to his role as chairman.</p>	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:	
	N/A	

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements – General Overdraft & Rent Guarantee	350	0

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,748	1,823
4.2 Deposits at call	862	1,086
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	2,610	2,909

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation	N/A	N/A
5.3 Consideration for Acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 31 July 2006

Managing Director/CEO

Print name: Tony Toohey

Appendix 4C Notes

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with

+ See chapter 19 for defined terms.