

**ASX RELEASE 16 November, 2006 FOR IMMEDIATE RELEASE**



**EBET TO BECOME MAJOR INTERNATIONAL GAMING SYSTEMS COMPANY  
BY ACQUIRING OCTAVIAN INTERNATIONAL**

Leading gaming technology company eBet Limited (ASX: EBT) ("eBet") today announced in Las Vegas at the annual G2E gaming conference and expo that it has today reached agreement on terms to acquire the assets of Octavian Gaming Systems Limited, a UK based innovative and successful gaming systems company, selling products in over 30 countries. Octavian has built a suite of gaming products, systems and technology which is highly complimentary to eBet's range of products.

Octavian's revenue is likely to exceed US\$46M (A\$60M) in 2006, with anticipated NPBT of US\$3M (A\$4M). The combined entity would achieve revenue of some US\$62M (A\$80M) in 2006 and this is projected to grow substantially over the next 4 years.

The initial purchase price for the Octavian Group will be US\$23.2M (A\$30M) calculated on the basis of a multiple of 7.68 times forecast NPBT of US\$3M (A\$4M) for the Octavian Group for the year ended 31 December 2006. This would be paid in the form of 136.8M eBet fully paid ordinary shares of \$0.22 per share. Additional payments (a mixture of cash and ordinary shares, with ordinary shares being issued at prices of \$0.225, \$0.25, \$0.275 and \$0.30 per share in each of the years 2007 through to 2010) would be made subject to achievement of paid sales of Octavian products over the next 4 years.

eBet proposes to undertake a limited capital raising to provide working capital for the newly combined entity. Implementation of the transaction is conditional on eBet securing binding commitments to raise gross proceeds of at least US\$5M. eBet expects to effect this by way of a public offer under a prospectus.

On completion, Octavian will hold eBet shares representing some 32% of the issued capital of eBet. If all performance targets are met and the whole of the additional consideration is paid in the form of eBet shares, Octavian will hold sum 43% of the expanded share capital of the combined entity, after the proposed capital raising.

eBet projects major growth worldwide in gaming systems because of the growth potential for downloadable games and more involving and customer-friendly games driven by new technology. eBet's Directors believe this gaming systems market will grow into a multi-billion dollar market within 5 years. The combination of eBet and Octavian will be well placed to gain a significant share of this market. The combined entity will also have technology and software suitable for the fast expanding lottery market.

The proposed acquisition of Octavian is subject to a number of conditions precedent, including receipt of all necessary approvals from eBet's shareholders. If approved, Octavian's Harmen Brenninkmeijer would become Executive Chairman and Octavian's Hans Zeidler would become Executive Deputy Chairman. eBet's CEO and Managing Director, Tony Toohey, would be CEO and Managing Director. The Company is also expected to have 4 Non-Executive Directors.

Mike Hale, Chairman of eBet would stand aside as Chairman if the transaction proceeds; but would remain a Non-Executive Director for a transition period. Mr. Hale said today "The combined entity is expected to source 80% of its revenue and profit from international markets. This is very positive. The Australian gaming market is mature and has limited potential for growth. The acquisition provides eBet with the opportunity for major growth in markets which are the fastest growing in the world. The combined entity would have offices in 10 countries. eBet's business is focused in Asia, while Octavian's business is focused in Europe and South America. This acquisition would create opportunities for sales of each company's products in new markets. The Directors and Management of the new combined entity would have much greater depth of gaming expertise".

Tony Toohey, eBet's CEO, added that "Octavian has a highly sustainable competitive advantage. It is able to produce proven games at a substantial discount to comparable products. In addition, through its technology linked to over 25,000 poker (slot) machines located over a number of venues, Octavian is able to offer highly attractive multi-machine jackpot games. Octavian's open architecture offers the customer maximum flexibility, in much the same way as Playstation games. This means game products from multiple developers may be used."

CEO and owner of Octavian, Harmen Brenninkmeijer said today "For Octavian, this opportunity opens many exciting new possibilities by being listed in the highly regulated Australian market", adding "I'm very confident with the potential of the combined entity and I am happy that Octavian should receive most of the consideration in eBet shares".

Implementation of the transaction is subject to a number of conditions precedent. These include the execution of long form documents acceptable to the parties, completion of due diligence enquiry to the satisfaction of both parties, and receipt of all necessary shareholder and regulatory approvals.

eBet shares issued as consideration will be subject to voluntary escrow. In the case of the initial consideration, the escrow period will be 2 years from completion, while the remaining shares will be escrowed until the earlier of 2 years for issue at 31 December 2010.

It is proposed that the name of the combined entity will be changed to Octavian Global Technology Limited.

eBet is looking to finalise all transaction documents by the end of this calendar year, with a targeted date of completion in February 2007. Each party has agreed to deal with the other for a non-exclusive period of 90 days.

eBet presently anticipates that the offer period for the proposed capital raising will run concurrently with the notice period for the shareholder meeting to approve this transaction, and that the raising will be completed shortly before or shortly after receipt of shareholder approval for the transaction. As a result, eBet does not anticipate that there will be a lengthy period of suspension of trading of eBet shares following the shareholder meeting. eBet will provide further details at the time the notice of meeting is issued.

## **About eBet**

eBet Limited is listed on the ASX (Symbol: EBT) with operations and contractual arrangements in Australia, New Zealand, the Philippines, Korea, Vietnam, Singapore, Canada 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 600 customers who collectively operate more than 48,000 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, and Singapore.

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, Penn National Gaming Inc. (NASDAQ: PENN) and Mohegan Sun at Pocono Downs.

## **About Octavian**

Octavian International was established in 2001 and has operations in the UK, Russia, Italy, Argentina, Colombia, Puerto Rica and India

The company is an international provider of innovative networked gaming solutions, developed to enhance the efficiency, profitability and enjoyment of gaming and lottery operations. Activities encompass both software development (OctaSystems and OctaGames) and gaming equipment distribution (OctaSupplies).

Octavian serves casinos, AWP (Amusements With Prizes), lottery and emerging gaming markets worldwide. It delivers solutions directly to gaming operators large and small, and also works in close collaboration with hardware manufacturers, other gaming industry software developers and distributors.

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