



EBET ACQUISITION OF OCTAVIAN TO PRODUCE SIGNIFICANTLY HIGHER PROFITS

eBet Limited (ASX: EBT), leading gaming systems supplier, today provided an update on the Octavian acquisition and presented the Company's half year results ended 31 December for 2006.

Octavian Acquisition Update

eBet's planned acquisition target, Octavian, has produced a strong \$6.4 million NPBT (unaudited) for CY06. The higher than expected result underlines one of the major benefits of this acquisition to eBet.

CEO and Managing Director, Mr. Tony Toohey, said "based on information received to date the combined eBet/Octavian entity can produce between \$7 to \$10 million NPBT in CY07, a substantial increase on eBet's \$1 million NPBT FY06."

The Company has estimated, subject to final Due Diligence, that consolidated revenues will be between \$95 million and \$120 million for CY07 against \$19 million for eBet in FY06.

This major increase will be driven by eBet/Octavian becoming a significant global gaming supplier with sales of network solutions, games and game content in over 30 countries versus eBet's current reach of customers in 7 countries.

The Octavian acquisition will provide a strong platform for expansion into the multibillion dollar gaming machine and systems markets via:

- ◆ Increased total number of machines connected to eBet/ Octavian systems
- ◆ Increased number of countries operating eBet/Octavian systems
- ◆ Growth in recurring revenues
- ◆ Combined product offering of systems and games
- ◆ Expanded Central Monitoring Systems (CMS) capabilities
- ◆ The ability to integrate eBet and Octavian systems functionality
- ◆ Significantly expanded product variety and functionality
- ◆ High quality/low cost product development in India and St Petersburg
- ◆ Opportunity to rollout Octavian's wide area progressive jackpot products in new and existing markets
- ◆ Access to an extensive range of third-party products

Octavian has an established customer base in over 25 countries with 25,000+ machines linked to Octavian gaming systems. The combined company will have in excess of 70,000 machines connected, with the majority contracted on a recurring revenue and/or license fee basis, testimony to the appeal, proven operational strength and execution skills of the consolidated entity.

Mr. Toohey said "opportunities for both eBet and Octavian to cross-sell products to customers will be an important benefit of the acquisition." He also commented that the number of machines in the 30+ countries where the companies are already operating was 2.3million machines. With expansion into additional countries, this represents major growth potential for the organisation.

Indicative of the potential for the Octavian acquisition is the pre-sale orders for the innovative Maverick 1000 product. Octavian's revolutionary flatpack game kit has achieved \$10 million in pre-sale orders just three months after launch which will accrue to eBet/Octavian.

eBet's current market capitalisation is \$34.8 million.

The Octavian acquisition is primarily in eBet shares and will result in eBet shareholders retaining a majority of the consolidated entity.

Due Diligence on the Octavian acquisition is progressing satisfactorily and the Acquisition Prospectus and Notice of Meeting should be sent to shareholders late March/early April.

HALF YEARLY RESULTS

eBet's Half Year result for the period ended 31 December 2006 was \$195k after tax profit with revenues of \$10.5m.

Key points in comparison to the prior corresponding period include:

- ◆ Group Revenue up 8% from \$9.8m to \$10.5m
- ◆ Domestic Gaming Systems and Equipment Sales revenue up 4% from \$5.5m to \$5.7m
- ◆ International Gaming Systems and Equipment Sales revenue up 191% from \$257k to \$747k
- ◆ Online and Professional Services revenue up 233% from \$312k to \$1.04m
- ◆ Total Net Assets increased from \$14.8m to \$16.3m

The increase in gaming system sales and recurring revenue businesses, along with the company's containment of operating expenses were the basis for the continued profitable result.

Managing Director and CEO, Mr Tony Toohey said "although difficult domestic market conditions were experienced, our market share increased for our Gaming System's business whilst expanding into international markets."

"Looking forward, the eBet standalone business will benefit from the development of our new IGMI interface board, regulatory approvals of TITO (Ticket In Ticket Out), Alternate TITO and positive changes to the online wagering business operating environment. The integration of many of the Octavian products and technologies will continue to drive sales and recurring revenues."

SUMMARY

Income Statement	1H06 \$'000
Revenue	
Gaming Systems & Equipment	5,775
Service Revenue	3,647
US Links	500
Online Wagering Systems & Services	465
Other Revenue	139
Total Revenue	10,526
Expenditure	(10,331)
Profit after income tax	195

Full details of the Company Financials and commentary are included within the 4D Financial Report.

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About eBet

eBet Limited (ASX: EBT) is a leading Australian gaming company with operations and contractual arrangements in Australia, New Zealand, the Philippines, Korea, Vietnam, Singapore 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 Australasia.

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

eBet also develops and supports online 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.

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