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## MARKET UPDATE

eBet today provided a market update on company activities and initiatives which are currently underway:

- Major sales drive for TITO;
  - Successful completion of pre-trial preparations for Alternate TITO;
  - Bedding down successful acquisition of Bounty;
  - Major steps in Qld. market;
  - Entry to fast growing Oklahoma gaming market;
  - Expansion of USA online wagering business;
  - Signing of first overseas casino group;
  - Further steps in Asia;
  - Initial steps into Western Europe.
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- Major sales drive for Ticket in Ticket Out (TITO)

TITO is eBet's ticket-based technology that provides players with the convenience of a bar-coded thermal ticket to cash-in and cash-out credits on a poker machine. TITO will also lead to improved club/pub productivity and profitability.

TITO is being used widely in the USA and other overseas markets with a high level of success, but is being introduced to Australia for the first time.

eBet believes TITO is the most important development in relation to poker machines since the introduction of one cent machines. Preliminary selling has had an excellent response from clubs and pubs.

eBet is uniquely placed to fulfill this demand for TITO, as it is the only company with the technology to bring the benefits of TITO to any type of poker machine. Clubs in particular see this as a major plus.

eBet has this week obtained formal regulatory approval to introduce TITO to NSW. TITO sales are predicted to deliver \$12M to \$15M of sales revenue in the next 18 months including \$1.5M to \$2M of high margin recurring revenue.

- Successful completion of pre-trial preparations for Alternate TITO

Alternate TITO is a proprietary system developed by eBet to address the older style poker machines that are not able to accept ticket-based technology. Alternate TITO can be combined with TITO to ensure that all poker machines on a gaming floor have access to TITO functionality.

Alternate TITO will commence field trials in May. Regulatory approval for the product is anticipated in July, and it should make a major contribution to eBet's sales revenues in FY 2009.

- Bedding down successful acquisition of Bounty

As advised on 9 January 2008, eBet acquired the Bounty Limited group of companies for A\$3.25M cash on 27 December, 2007. It has already repaid A\$2.75M of the purchase price from the assets and earnings of the Bounty business, and the remaining A\$500K is expected to be repaid by mid June, 2008.

Sales of Bounty's Compass product to Aristocrat customers in NSW continue to be strong. In addition, Odyssey Gaming Technology Pty. Ltd. has recently elected to renew its Qld. machine monitoring contract with Bounty for another 5 years from 30 June 2008, with monitoring fees being subject to an annual increase of CPI or 5%, whichever is higher. This contract will generate revenues over its 5 year life in the range of \$2.5M to \$3.2M based on current connected machine numbers.

- Achieves important steps in Queensland Market

Queensland is the second largest gaming market in Australia. eBet's Cashless system, is now on trial at Sandgate RSL Brisbane. eBet is very confident that this trial will be successful, as the technology is already proven in other markets.

On completion of this trial, which is anticipated to be early May, eBet will mount an aggressive drive into the Queensland market. Having an established presence in Queensland as a result of the Bounty acquisition, this gives eBet a strong local support infrastructure and sales network. The target will be the 1200+ clubs and pubs with poker machines. eBet already has 40% of available machines connected to similar systems in NSW and believes similar penetration levels are possible in Queensland over time.

- Significant Opportunities in the Victorian Market

The recent announcements by the Victorian Government relating to the operational framework for Gaming in Victoria, presents a number of significant positive opportunities for eBet in the medium and long term. Whilst the final detail is not yet known, the move towards a venue based ownership model creates a natural market for eBet's product range. Venues will require in-house gaming systems, linked jackpot systems, management information systems and central monitoring systems.

eBet is uniquely positioned through a combination of our core eBet and recently acquired Bounty products to provide a full range of products and solutions to the Victorian Gaming Industry.

The Company will maintain a watchful eye, as specific detail relating to the operational framework is confirmed, ensuring eBet is well placed to take full advantage of this potential new market.

- Entry into fast growing Oklahoma gaming market

eBet has signed an agreement with TableMax USA ([www.tablemax.com](http://www.tablemax.com)) to enter the fast growing Oklahoma gaming market. TableMax is one of the leading American poker machine linked jackpot companies. eBet and TableMax will use their unique combination of gaming system software to run progressive jackpots across multiple poker machines in one or more venues.

Progressive jackpots are the fastest growing sector of the poker machine market in the USA, due to the way they offer players the opportunity to win "super" jackpots worth thousands of dollars. This extra feature can be added to any poker machine and significantly increases player enjoyment and participation.

TableMax has a range of proven multi machine games, including Texas Hold Em, Caribbean Stud etc. An important plus for eBet in this agreement is that it involves minimal investment risk for eBet and significant revenue upside. TableMax and eBet already have a high level of interest from a number of venues and expect to be generating revenue within three months.

This is an excellent deal for eBet. It leverages our years of development at minimal cost with the support of a proven American operator. TableMax have the licences, people and contacts to make the venture a success.

Steve Crystal the CEO of TableMax said "It would take a lot of money and years of work to get the same result. eBet has proven systems that allow us to improve our offering significantly. We already operate across America and I believe we will very soon be doing joint sales. One of the important attractions of this business model is that it not only delivers up-front revenue, but also recurring revenue".

- Expansion of USA online wagering business

Online wagering on horse racing is legal in the USA and the horse racing wagering business in the USA has a turnover exceeding US\$15bn. Ebet has entered into a joint venture with the Woodham Group who are experts at selling and marketing to horse wagering operators. They will use eBet's proven technology and new products that eBet is evolving to quickly grow the customer base. There are over 200 potential operators for the eBet wagering products in the USA representing approximately 60% of the U.S. online wagering market. Again, the joint venture arrangement involves minimal investment risk for eBet and significant revenue upside, while preserving for eBet its current entitlements under its existing contracts with wagering operators.

This is very high margin business and eBet expects to triple the revenues from its online wagering business in the U.S. over the next 12 to 18 months.

- eBet signs first overseas casino group

eBet has won the contract to supply Cashless systems for the two sites and 336 poker machines operated by New Caledonian's leading casino group, Le Casinos de Noumèa. Ebet will also operate Wide Area networking that links multiple machines. A key positive from this sale is that it can be used as a case study for the hundreds of similar sized casinos in other markets.

- Takes further steps in Asia

Following on from its successful sale and distribution of some 228 Mavericks into the Latin America market in 2H CY 2007, eBet has reached in-principle agreement with Octavian International Limited to take a licence from Octavian of its Maverick technology, to enable eBet to manufacture and sell the Maverick flat pack game kit, plus Octavian's proprietary Extra Cash link progressive system and relevant games, into the Asia/Pacific region (excluding Japan, China, Macau and India).

We anticipate being able to generate operating revenues of A\$3M to A\$3.5M from this contract in FY 2009.

- Takes initial steps into Western Europe

eBet has reached agreement in principle on the terms of a joint venture with a major European gaming company for the use of eBet's proprietary gaming technology in its gaming operations subject to regulatory approvals.

eBet anticipates being able to generate significant net revenues from its share of the joint venture of in FY 2009.

#### Financial projections:

Our projected operating revenues are in the range of \$27M to \$29M for FY 2008, an increase of 27% to 36% over FY 2007, and forecast EBITDA of \$5.1M to \$5.4M for FY 2008 an increase in the range of 44% to 52% over FY 2007. Our projected net profit before tax in the range of \$1.8M to \$2.2M for FY 2008 is an increase in the range of 50% to 75% over FY 2007.

All of the above will add significant new growth and revenue opportunities over the next 18 months. In addition, eBet is actively pursuing other gaming technology opportunities that leverage eBet's expertise as Australia's largest gaming technology company.

CEO & Managing Director Tony Toohey said, "There is much to look forward to and I would like to personally thank you for your ongoing support. I look forward to being able to provide you with more updates during the rest of CY 2008."

In relation to Opes Prime, the current situation is that the shares of a number of eBet shareholders (but not including any Directors) who in aggregate control approximately 55m ordinary shares (representing some 25% of the issued ordinary share capital of the Company) are subject to equity finance contracts with Opes Prime Stockbroking Limited. According to media reports, those contracts have been secured in favour of, and are now under the effective control of, ANZ.

If the opportunity presents itself, the directors intend to acquire some of this holding.

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## **About eBet**

eBet Limited (ASX: EBT) is a leading Australian gaming systems company that develops and markets a range of networked solutions for electronic gaming machines. It has some 800 customers, with 50,000 gaming machines connected. The company has operations and contractual arrangements in Australia, New Zealand, the Philippines, South Korea, Vietnam, Singapore and an online wagering division in the USA.

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