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RISK MANAGEMENT POLICY

Dated : 29 May 2009

In accordance with ASX Corporate Governance Principles and Recommendations (Second Edition), eBet Limited (referred to as the Company) sets out its Risk Management Policy.

Responsibility

The Board is responsible for approving and reviewing the Risk Management Policy. The management of risk is the responsibility of Management.

The Board continually considers the business risks applicable to the business and ongoing operations. Additionally, the Board considers the Company's risk profile as part of the annual strategy and budget planning review.

The Board has also delegated various authorities to the Chief Executive Officer (CEO) and Audit Committees to enable the setting of policy and procedures to assist with the management of the Company's risk profile. The Audit Committee oversees Management's application of the ASX Corporate Governance Council Guidelines in respect of Financial Reporting and Risk oversight.

Management of risks

The risk management and internal control systems within the Company encompass all policies, processes, practices and procedures established by the Board and Management to provide reasonable assurance that:

- established corporate and business strategies and objectives are achieved;
- risk exposure is identified and adequately monitored and managed;
- resources are acquired economically, adequately protected and managed effectively in carrying out the Company's business;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with relevant policies, standards, procedures and applicable laws, regulations and licences.

The Company regularly conducts meetings across the business to identify significant business risks arising from current operations and new business initiatives, and to identify and implement containment measures.

Due to the limitations that are inherent in any system of risk management and internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide a reasonable (but not absolute) level of assurance against material misstatement, adverse events or losses, or more volatile outcomes.

Compliance

The Board has responsibility for considering Management's processes which result in identifying, assessing and monitoring risks associated with the Company's business operations, and the implementation and maintenance of policies and control procedures to give adequate protection against key risks.

The Board receives assistance from the Audit Committee in providing objective assessments of the internal controls and compliance framework. The Audit Committee considers the appropriateness and effectiveness of management information and other systems of internal control, and action taken or proposed resulting from External Audit recommendations.

All Management and staff are responsible for the management, monitoring and reporting of risks. The Company is striving to create an environment where by managing risk is accepted as the personal responsibility of each staff member in the achievement of their organisational goals and objectives.