



**eBet Limited**  
ABN 59 056 210 774

The Company Secretary  
eBet Limited  
Suite D  
255 Rawson Street  
AUBURN NSW 2144

## **Notice of General Meeting and Shareholder Information**

For the purpose of providing information to shareholders regarding the general meeting of eBet Limited to be held on 23 November 2005.

The Independent Directors of eBet Limited unanimously recommend that you vote **in favour** of the resolutions.

**This document is important and requires your immediate attention.**

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## **A. Notice of general meeting**

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### **Additional information**

If you have any queries regarding the contents of this booklet or in relation to the meeting please contact the Company Secretary, Edmund Sciortino, on (02) 8748 8000.

### **Important note**

This booklet sets out information to assist Shareholders to consider the resolutions necessary to effect the ratification of:

- (a) the issue of 28,300,000 ordinary shares in the capital of the Company at \$0.145 per share on 15 November 2004;
- (b) the allotment and issue of up to 1,000,000 options to acquire ordinary shares in the Company to Tony Toohey; and
- (c) the allotment and issue of 550,000 options to acquire ordinary shares in the Company to Russell Scott,

for, among other things, the purposes of Listing Rules 7.1, 7.4 and 10.11. You should read this booklet carefully and in its entirety before making a decision as to how to vote at the Meeting.

No responsibility is taken for the contents of this booklet by the Australian Securities and Investments Commission, the Australian Stock Exchange Limited or any of their offices.

If you do not fully understand the contents of this booklet you should consult your financial or legal adviser for assistance.

A number of defined terms are used in this booklet. For their meaning please refer to Section 2 of Part B of this booklet.

A notice of general meeting and proxy form accompany this document. Shareholders are urged to complete and return the enclosed proxy form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

## A. Notice of General Meeting

Notice is given that the Annual General Meeting of members of eBet Limited (Company) will be held at the Sydney Harbour Marriott Hotel (Banjo Patterson Room), 30 Pitt Street, Sydney on 23 November 2005 at 10:30am.

### Business

#### 1. Accounts

To receive and consider:

- (a) the statement of financial position for the Company as at 30 June 2005 and the statement of financial performance for the Company for the period 1 July 2004 to 30 June 2005;
- (b) the directors' report;
- (c) the remuneration report; and
- (d) the auditor's report.

#### 2. Reappointment of Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Michael Hale retired by rotation and having offered himself for re-election in accordance with Rule 6.4 of the constitution of the Company be re-elected as director of the Company."*

#### 3. Ratification of Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That the allotment and issue of 28,300,000 ordinary shares in the capital of the Company at \$0.145 per share on 15 November 2004 to the parties and for the purposes set out in the attached explanatory memorandum, be hereby ratified and approved."*

Without limitation, Listing Rule 7.4 is relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by the subscribers for the Company's Shares under the issue referred to in this resolution 3 and any of their Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

#### **4. Grant of Options to Tony Toohey**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That the issue and allotment of up to 1,000,000 options to acquire ordinary shares in the Company to Tony Toohey on the terms and conditions set out in the attached explanatory memorandum is authorised and approved.”*

Without limitation, Listing Rules 7.1 and 10.11 are relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by Tony Toohey and any of his Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

#### **5. Grant of Options to Russell Scott**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That the issue and allotment of 550,000 options to acquire ordinary shares in the Company to Russell Scott on the terms and conditions set out in the attached explanatory memorandum is authorised and approved.”*

Without limitation, Listing Rules 7.1 and 10.11 are relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by Russell Scott and any of his Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

## Proxies

A member entitled to attend and vote at this meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead.

A proxy need not be a member of the Company.

If the member appoints 2 proxies the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceed that which the member is entitled to, each proxy may exercise half of the member's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- (a) lodged at the registered office of the Company; or
- (b) received at the fax number specified below; or
- (c) received by email at the address specified below,

not later than 48 hours before the meeting ie 10:30am (Sydney time) on 21 November 2005.

The Company's registered office: Unit D, 255 Rawson Street, Auburn NSW 2144

Postal address: Unit D, 255 Rawson Street, Auburn NSW 2144

Fax number: 02 9748 8052

Email Address: [investorrelations@ebetgamingsystems.com](mailto:investorrelations@ebetgamingsystems.com)

A form of proxy is provided with this notice.

## Entitlement to vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 5pm on 21 November 2005. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

**By order of the Board**



**Edmund Sciortino**  
**Company Secretary**

## B. Information Memorandum

### 1. Resolutions

#### 1.1 Introduction

This booklet has been prepared for the purpose of providing information to Shareholders in connection with the Meeting to be held on 23 November 2005.

The purpose of the Meeting is to consider and, if thought fit, pass a number of resolutions several of which are described in further detail in this booklet.

#### 1.2 Ratification of Issue

On 15 November 2004 the Company issued and allotted 28,300,000 ordinary shares in the capital of the Company at \$0.145 per share pursuant to Listing Rule 7.1.

These shares were issued to the following parties in the following proportions:

Name	Number of Shares
UBS Nominees Cadence Capital A/C	800,000
Amalg Capital Management	350,000
ASAM	3,180,000
Ausbill Dexia	1,800,000
FSP Equities	1,000,000
Wilson Asset Management (Invia Custodian)	2,900,000
Paradise Cooper	3,500,000
Merrill Lynch	1,500,000
Renaissance	3,200,000
Roseoak Investment & Co	450,000
Roseoak (Warakirri Endeavour Fund)	1,050,000
Wilson Leaders (Invia Custodian)	2,500,000
Symspur Pty Ltd	200,000
Albear Pty Ltd (Super Fund)	100,000
Alan S Cameron	325,000
AP & LS Waters	175,000
Ashabia Pty Ltd Super Fund	300,000
Bonaire Investments	175,000
Davanna Pty Ltd	400,000
The Herbert Group (Eblouissant A/C)	100,000
Joanne Elliott	30,000
Peter Gerendasi	200,000
Low Seng Eng	140,000
Mecdan Pty Ltd Super Fund	350,000
J Peisley Margin A/C	100,000
Pax Pasha Pty Ltd	500,000
Victoria Anya Payne	35,000
Planette Thoroughbred Trading	300,000
Helen Mary Porter	350,000
Lachlan Ridhalgh	15,000
SL Travers	175,000
Macquarie Equities	700,000
Southern Cross Equities	700,000
Hudson Securities	700,000

The proceeds from the issue were used to fund the November 2004 redemption payment for the eBet Limited Convertible Notes and the final stages of the linked jackpot system throughout a number of California Native American casinos, the rights to which the Company secured in May 2004.

Shareholders' approval and ratification of the above issue is being sought for the purposes of Listing Rule 7.4. Listing Rule 7.4 provides for the subsequent approval of an issue of shares.

### **1.3 Grant of options to Tony Toohey**

The Board of the Company proposes the issue and allotment of up to 1,000,000 options to acquire ordinary shares in the Company to Tony Toohey.

The options will be issued in recognition of Mr Toohey's service as Managing Director of the Company provided certain business objectives and qualifying criteria have been met. Those objectives and criteria are as follows:

Date of Issue: Within one month of the 2005 Annual General Meeting.

Intended Use of Funds Raised: Working Capital.

Terms of Issue:

The Board of the Company proposes the issue and allotment of up to 1,000,000 options to acquire ordinary shares in the Company to Tony Toohey.

The options will be issued in recognition of Mr Toohey's service as Managing Director of the Company provided certain business objectives and qualifying criteria have been met. Those objectives and criteria are as follows:

- a) options to acquire 500,000 shares exercisable as follows:
  - (i) if the Company's minimum prevailing share price on the ASX, assessed by the volume-weighted average over the 20 trading days prior to the second anniversary of his employment, being 11 March 2006, is at least \$0.30 per share (**Qualifying Point**) then Mr Toohey will be entitled to exercise 250,000 of those options from the date of the second anniversary of his employment to the Expiry Date;
  - (ii) for each \$0.01 above the Qualifying Point Mr Toohey will be entitled to exercise an additional 25,000 options up to a maximum of 500,000 options from the date of the second anniversary of his employment to the Expiry Date. By way of example, if the share price is equal to or exceeds \$0.40 he will be able to exercise the full 500,000 options; and
  - (iii) any options which can't be exercised for failure to meet the Qualifying Point will be cancelled immediately.
- b) options to acquire 250,000 shares which are only exercisable if the audit reviewed EBITDA result for the Company for the twelve months to 31 December 2005 reaches or exceeds \$2,500,000 for the nominated period. If the EBITDA for the nominated period is less than \$2,500,000 then these options will be cancelled immediately; and

- c) options to acquire 250,000 shares which are only exercisable based on the successful roll out of the company's US Linked jackpot operations. To qualify for the first 125,000 of these options the linked jackpot operations must have a minimum of 300 revenue producing machines connected as at 1 September 2005; and for the balance of 125,000 of these options a minimum of 600 revenue producing machines must be connected to the linked jackpot operations by 1 March 2006.

As at 1 September 2005, Mr Toohey did not qualify for the first 125,000 options under condition (c) above.

Exercise Price:

With regards to options issued under a) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to the Grant Date.

With regards to options issued under b) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to 31 December 2005.

With regards to options issued under c) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to the Grant Date.

Expiry Date: Two years from the date that they become exercisable.

The balance of the terms of the proposed issues are the same as outlined in the Company's Executive Share Option Plan (**EXOP**), a detailed summary of which is set out in section 3 below, however they are not issued under the EXOP.

#### **1.4 Grant of options to Russell Scott**

The Board of the Company proposes the issue and allotment of up to 550,000 options to acquire ordinary shares in the Company to Russell Scott.

The options will be issued in recognition of Mr Scott's service as Director/CFO/COO of the Company provided certain business objectives and qualifying criteria have been met. Those objectives and criteria are as follows:

Date of Issue: Within one month of the 2005 Annual General Meeting.

Intended Use of Funds Raised: Working Capital.

Terms of Issue:

The Board of the Company proposes the issue and allotment of up to 550,000 options to acquire ordinary shares in the Company to Russell Scott.

The options will be issued in recognition of Mr Scott's service as Director/CFO/COO of the Company provided certain business objectives and qualifying criteria have been met. Those objectives and criteria are as follows:

- a) options to acquire 137,500 shares exercisable as follows:
- (i) if the Company's minimum prevailing share price on the ASX, assessed by the volume-weighted average over the 20 trading days prior to 11 March 2006, is at least \$0.30 per share (**Qualifying Point**) then Mr Scott will be entitled to exercise 68,750 of those options from the 11 March 2006 to the Expiry Date;

- (ii) for each \$0.01 above the Qualifying Point Mr Scott will be entitled to exercise an additional 6,875 options up to a maximum of 137,500 options from 11 March 2006 to the Expiry Date. By way of example, if the share price is equal to or exceeds \$0.40 he will be able to exercise the full 137,500 options; and
  - (iii) any options which can't be exercised for failure to meet the Qualifying Point will be cancelled immediately.
- b) options to acquire 137,500 shares which are only exercisable if the audit reviewed EBITDA result for the Company for the twelve months to 31 December 2005 reaches or exceeds \$2,500,000 for the nominated period. If the EBITDA for the nominated period is less than \$2,500,000 then these options will be cancelled immediately; and
- c) options to acquire 275,000 shares which are only exercisable based on the successful roll out of cashless enabled machines; upgrades to EPS SQLV1.5; and/or the roll out of the company's CRM application in NSW that enables the company to commence charging full licensing fees to venues (existing and new) with these products at the agreed contracted rate.

To qualify for the first 137,500 of these options, the company must be receiving full license fees from at least 6616 machines at 1 September 2005; and

To qualify for the receipt of the balance of 137,500 the company must be receiving full license fees from at least 8616 machines at 1 March 2006.

As at 1 September 2005, Mr Scott did qualify for the first 137,500 options under condition (c) above.

**Exercise Price:**

With regards to options issued under a) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to the Grant Date.

With regards to options issued under b) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to 31 December 2005.

With regards to options issued under c) above, the volume-weighted average price of the Company's shares over the 30 trading days prior to the Grant Date.

**Expiry Date:** Two years from the date that they become exercisable.

The balance of the terms of the proposed issues are the same as outlined in the Company's Executive Share Option Plan (**EXOP**), a detailed summary of which is set out in section 3 below, however they are not issued under the EXOP.

## **1.5 Recommendation of Directors**

The Board of the Company comprises Michael Hale, Jeffrey Zulman, Keith Cullen, (**Independent Directors**), Tony Toohey and Russell Scott. In the event that Shareholders approve Resolutions 4 and 5 described in this booklet, Mr Toohey and Mr Scott will be issued with options as set out in sections 1.3 and 1.4 above. Accordingly, for the purposes of Resolution 4 Mr Toohey makes no recommendation to Shareholders, and for the purposes of Resolution 5 Mr Scott makes no recommendation to Shareholders.

The Independent Directors:

- (a) consider that the matters the subject of the resolutions to be put to the Meeting are in the best interests of the Company and its Shareholders; and
- (b) recommend that Shareholders vote in favour of the resolutions.

None of the Independent Directors has an interest in the passing of any resolution to be considered at the Meeting other than as shareholders of the Company.

Each director has indicated that he intends to vote his shares in favour of each resolution to be put to the Meeting on which they are eligible to vote, except Mr Toohey who is precluded from voting on resolution 4 and Mr Scott who is precluded from voting on resolution 5.

## 2. Definitions

<b>\$</b>	Australian dollars
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associate</b>	Has the same meaning as in the Corporations Act
<b>ASX</b>	Australian Stock Exchange Limited (ACN 008 624 691)
<b>Board</b>	Board of Directors of the Company
<b>Business Day</b>	A business day under the Listing Rules
<b>Company</b>	eBet Limited (ACN 056 210 774)
<b>Directors</b>	The Directors of the Company
<b>Listing Rules</b>	Any rules of ASX which are applicable while the Company is admitted to the official list of ASX
<b>Meeting</b>	The general meeting of the Company to be held on 23 November 2005 to approve the Resolutions
<b>Notice of Meeting</b>	The sent to Shareholders in respect of the Meeting
<b>Resolutions</b>	The resolutions set out in the Notice of Meeting
<b>Shareholder</b>	A shareholder of the Company