

notice of annual general meeting and shareholder information 2010



This notice is for the purpose of providing information to shareholders regarding the Annual General Meeting of eBet Limited to be held at 10.00 am on Friday, 26 November, 2010 at Star City, Mill Room, 80 Pymont Street, Pymont, NSW, 2009.

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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If you have any queries regarding the contents of this notice, or in relation to the Meeting, please contact the Company Secretary, Richard Standen, on +61 2 8817 4700.

Important note

You should read this notice carefully and in its entirety before making a decision on how to vote at the Meeting.

No responsibility is taken for the contents of this notice by the Australian Securities and Investments Commission, ASX Limited or any of their officers.

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

A number of defined terms are used in this notice. For their meaning, please refer to the Glossary section of this notice.

A proxy form accompanies this notice. 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 ANNUAL GENERAL MEETING

Notice is hereby given to the Members of eBet Limited ABN 59 056 210 774 (the Company) that the 2010 Annual General Meeting (AGM) will be held commencing 10.00 am on Friday, 26 November, 2010 Star City, Mill Room, 80 Pyrmont Street, Pyrmont, NSW, 2009.

If you are unable to attend the AGM, we encourage you to complete and return the enclosed proxy form. The completed proxy form must be received by the Company no later than 10.00am on Wednesday, 24 November, 2010.

Business

1. Financial Statements and Reports

To receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2010 as set out in the Annual Report.

2. Remuneration Report

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

"In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report for the financial year ended 30 June 2010 as set out in the Annual Report."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Director – Ian Raymond James

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

"That Ian Raymond James, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4. Adoption of New Constitution

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

"That the Company's existing Constitution be repealed and a new Constitution be adopted, in the form of the document tabled at the Annual General Meeting and signed by the Chair of the meeting for the purposes of identification."

5. Approval and Adoption of Employee Share Trust Plan

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

"That

- (a) the Directors are authorised to establish, administer, maintain, vary, suspend or terminate an employee share trust plan providing for the issue of Shares to eligible participants (to be known as the Employee Share Trust Plan (**ESTP**)), in accordance with the ESTP rules which are summarised in the Explanatory Memorandum (apart from any changes the Directors decide are necessary or desirable)(**ESTP Rules**);
- (b) the making of contributions by the Company to the Trustee under the ESTP to enable the Trustee to acquire shares to be allocated to employees under the ESTP, is approved for the purposes of section 260C of the Corporations Act; and
- (c) the future issue of Shares under the ESTP is approved for the purposes of Listing Rule 7.2 Exception 9, as an exception to Listing Rule 7.1."

Note: The Company will disregard any votes cast on this resolution by any Director of the Company and any Associate of any Director. However, the Company need not disregard a vote if it is cast:

- (a) as a proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- (b) 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.

Without limitation, Listing Rules 7.1 and 7.2 Exception 9 and sections 260A and 260C of the Corporations Act are relevant to this Resolution 5.

6. Approval and Adoption of Key Employee Share Trust Plan

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

"That

- (a) the Directors are authorised to establish, administer, maintain, vary, suspend or terminate a key employee share trust plan providing for the issue of Shares to eligible participants (to be known as the Key Employee Share Trust Plan (**KESTP**)), in accordance with the KESTP rules which are summarised in the Explanatory Memorandum (apart from any changes the Directors decide are necessary or desirable)(**KESTP Rules**);
- (b) the making of contributions by the Company to the Trustee under the KESTP to enable the Trustee to acquire shares to be allocated to employees under the KESTP, is approved for the purposes of section 260C of the Corporations Act; and
- (c) the future issue of Shares under the KESTP is approved for the purposes of Listing Rule 7.2 Exception 9, as an exception to Listing Rule 7.1."

Note: The Company will disregard any votes cast on this resolution by any Director of the Company and any Associate of any Director. However, the Company need not disregard a vote if it is cast:

- (a) as a proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- (b) 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.

Without limitation, Listing Rules 7.1 and 7.2 Exception 9 and sections 260A and 260C of the Corporations Act are relevant to this Resolution 6.

7. Approval and Adoption of Executive Share Trust Plan

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

"That

- (a) *the Directors are authorised to establish, administer, maintain, vary, suspend or terminate an executive employee share trust plan providing for the issue of Shares to eligible participants (to be known as the Executive Share Trust Plan (XSTP)), in accordance with the XSTP rules which are summarised in the Explanatory Memorandum (apart from any changes the Directors decide are necessary or desirable)(XSTP Rules);*
- (b) *the making of contributions by the Company to the Trustee under the XSTP to enable the Trustee to acquire shares to be allocated to employees under the XSTP, is approved for the purposes of section 260C of the Corporations Act; and*
- (c) *the future issue of Shares under the XSTP is approved for the purposes of Listing Rules 7.2 Exception 9, as an exception to Listing Rule 7.1."*

Note: The Company will disregard any votes cast on this resolution by any Director of the Company and any Associate of any Director. However, the Company need not disregard a vote if it is cast:

- (a) as a proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- (b) 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.

Without limitation, Listing Rules 7.1 and 7.2 Exception 9 and sections 260A and 260C of the Corporations Act are relevant to this Resolution 7.

8. Approval and Adoption of Salary Sacrifice Share Plan

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Salary Sacrifice Share Plan (SSSP) as set out in the Explanatory Memorandum be approved."

Note: The Company will disregard any votes cast on this resolution by any Director of the Company and any Associate of any Director. However, the Company need not disregard a vote if it is cast:

- (a) *as a proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and*
- (b) *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.*

Without limitation, Listing Rules 7.1 and 7.2 Exception 9 are relevant to this Resolution 8.

9. Grant of Convertible Notes to WMS Gaming Inc.

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

"That the proposed issue of up to 140,000 convertible notes to WMS Gaming Inc. on the terms and conditions set out in the Explanatory Memorandum, be approved"

Note: The Company will disregard any votes cast on this resolution by WMS Gaming Inc. and its Associates, other than votes cast:

- (a) *as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and*
- (b) *by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Without limitation, Listing Rule 7.1 is relevant to this resolution.

10. Grant of Share Units to Anthony Peter Toohey under the eBet Executive Share Trust Plan.

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

"That, subject to the passing of Resolution 7 and for the purposes of ASX Listing Rule 10.14, Section 260C of the Corporations Act, and all other purposes, the grant of 1,000,000 Share Units to Anthony Peter Toohey, Managing Director and Chief Executive Officer of the Company, in accordance with the terms of the eBet Executive Share Trust Plan and on the terms summarised in the Explanatory Notes, be approved."

Note: The Company will disregard any votes cast on this resolution by any Director of the Company and any Associate of any Director. However, the Company need not disregard a vote if it is cast:

- (a) as a proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- (b) 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.

Without limitation, Listing Rule 10.14 and section 260C of the Corporations Act are relevant to this Resolution 10.

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All members should read the Explanatory Memorandum carefully and in its entirety. Members who are in doubt regarding any part of the business of the AGM should consult their financial or legal adviser for assistance.

Proxies

A Member entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in his/her/its stead.

A proxy need not be a Member of the Company.

If the Member appoints two 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 exceeds 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 by mail c/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC, 3001; or
- (b) received by fax number 1800 783 447 within Australia, or +61 3 6473 2555 outside Australia;

and not later than 48 hours before the AGM – that is, 10.00 am (Sydney time) on Wednesday 24 November, 2010.

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 will be taken to be held by the persons who held them as registered holders at 7.00 pm on 24 November, 2010. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

By order of the Board

Richard Standen, Company Secretary

12 October 2010

B. EXPLANATORY MEMORANDUM

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of eBet Limited (Company) at the 2010 Annual General Meeting (AGM) to be held commencing 10.00 am on Friday, 26 November, 2010 Star City, Mill Room, 80 Pyrmont Street, Pyrmont, NSW, 2009. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

1. Consideration of Accounts

As required by section 317 of the Corporations Act, the Financial Report of the Company, Directors' Report and Auditor's Report for the most recent financial year will be laid before the meeting. Shareholders will be provided with the opportunity to ask questions about the reports, or the Company generally. The auditor of the Company will be available at the meeting to answer any questions in relation to the Auditor's Report or the conduct of the audit of the Financial Report.

2. Adoption of Remuneration Report

The Corporations Act requires listed companies to put a Remuneration Report relating to Director and Executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report is included in the Directors' Report section of the Company's Annual Report.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. Accordingly, Resolution 2 is not binding on the Company and does not affect the employment arrangements in place for Directors and employees of the Company and its subsidiaries.

In summary, the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration for Directors, secretaries and senior managers of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance conditions applicable to the remuneration of Directors, secretaries and senior managers of the Company; and
- sets out remuneration details for each Director and senior executives of the Group, including the value of any options granted to those persons.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

3. Re-election of Ian Raymond James

Mr Ian Raymond James will retire from office as a Director at the 2010 Annual General Meeting and being eligible to do, offers himself for re-election as a Director.

The Board (with Mr James abstaining and not voting) recommends that Shareholders vote in favour of Mr James' re-election.

4. Adoption of new Constitution

Resolution 4 seeks approval of the members to repeal the Company's existing Constitution and adopt a new Constitution in its place.

Without limitation, Section 136(2) of the Corporations Act is relevant to Resolution 4. A special resolution is required to approve Resolution 4. A special resolution requires approval of at least 75% of the votes cast by members entitled to vote on Resolution 4.

The Company's existing Constitution was adopted in 1999 and has not been substantively updated since that time.

Since that time, there have been a number of changes to the Corporations Act, the Listing Rules, technology and corporate governance practices generally. Accordingly, the Board considers that it is appropriate to update the Constitution.

A copy of the proposed new Constitution (**New Constitution**) is available prior to the meeting by calling Richard Standen on + 61 2 8817 4700 and a copy of the New Constitution will also be available for inspection at the AGM.

The key material provisions of the New Constitution are summarised below.

Rule 1.7 – Future amendments to the Constitution

Rule 1.7 of the New Constitution places an additional restriction on future amendments to the Constitution proposed by Shareholders. Changes to the New Constitution that are proposed by Shareholders in the future will be required to be supported by at least 2 Directors before those changes can be put to a general meeting for approval. The purpose of this amendment is to prevent potential frivolous and vexatious changes being proposed that have the effect of unnecessarily wasting Company funds and other resources.

Rule 2.1 – Power to issue new securities

Under the New Constitution, the power to issue new Shares, options and other securities and to determine the terms on which those securities can be issued rests with the Directors. In issuing new Shares, the Directors must ensure that the issue complies with the Corporations Act and the Listing Rules, which restrict the ability to issue shares in certain circumstances.

Rule 2.2 – Preference shares

Under the Corporations Act, the Company is not able to issue preference shares unless the rights attaching to those shares are set out in the Constitution or have otherwise been approved by special resolution of the Company. The New Constitution sets out the rights that would attach to preference shares if any such shares are issued in the future. This gives the Directors the flexibility to issue preference shares in the future should they resolve to do so, which gives the Company greater flexibility in the way that it may raise capital in the future.

As at the date of this notice, the Directors do not intend to issue any preference shares.

Rule 2.3 – Variation of rights attaching to shares

This Rule sets out the procedure to be followed to change any of the rights attaching to an existing class of shares of the Company if the Company has more than one class of shares on issue. The procedure requires that the change be approved in writing by Shareholders who hold at least 75% of number of shares in that class, or by a special resolution of the holders of the relevant class of shares. This procedure would not apply to the issue of preference shares under the preceding Rule.

Under the New Constitution, any special resolution to vary a class of shares held at a meeting of Shareholders must have a quorum of at least 50% of the issued shares of that class. This is less than required in the previous Constitution, which called for a quorum of 75%.

Rule 2.7 – Altering the capital of the Company

This Rule provides that in addition to altering the capital of the Company in any manner permitted by the Corporations Act, the Company can alter its share capital by converting shares into larger or smaller numbers, cancelling forfeited shares or converting shares from one class to another by way of an ordinary resolution of members of the Company.

Rule 3 – Calls, lien & forfeiture

This Rule sets out the procedure for making calls for amounts that are unpaid on shares. Where a call is made and is not paid within 10 business days, the relevant share may be forfeited and may be sold or otherwise disposed of by the Company on the terms the Directors think fit. The holder of a Share that has been forfeited remains liable to the Company for outstanding amounts in relation to that Share, including interest. These provisions reflect general practice.

The Company has a lien over every partly paid Share for amounts, including calls and instalments which are due and unpaid and reasonable interests and expenses. The Company also has a lien over each Share acquired under an employee incentive plan in respect of which an amount is owed for the acquisition of that Share.

The Company has no partly paid shares currently on issue and does not presently intend to issue any partly paid shares.

Rule 4 – Transfer of Shares

Subject to the provisions of the Constitution, the Corporations Act and the Listing Rules, Shares are freely transferable by a transfer document in the form approved by the ASX or otherwise approved by the Directors.

The New Constitution also provides that the Directors may refuse to register any transfer of Shares if the Listing Rules permit the Company to do so, and must refuse to register any transfer of Shares if the Listing Rules require the Company to do so.

Rule 5 – Gaming regulations and limitations on ownership

Gaming Laws impose a number of conditions and restrictions on persons having influence over (or financial interests in) companies that hold Licences. In order to protect the Company's investments in subsidiaries and other corporations that hold Licences, it is necessary for the Company to regulate the holdings of shares in the Company accordingly.

For this purpose, the New Constitution includes provisions which empower the Company, in certain circumstances, including where a Gaming Law would otherwise be contravened or a Licence or an application for a Licence would otherwise be prejudiced, to require a Shareholder to furnish required information, to suspend a Shareholder's rights and powers in relation to shares registered in the Shareholder's name, and to order and effect the divestiture of those shares.

Rule 6.2 & Rule 10.1 – Notice of meetings

Each Shareholder is entitled to receive notice of general meetings of the Company. Notices required to be given to Shareholders (including notice of meeting) may be given by posting, faxing or sending an electronic notification to the address provided by the Shareholder for the giving of notices.

Rule 6.3 & 6.5(c) – Meeting procedures

The New Constitution confirms the chairman's authority to ensure the orderly conduct of meetings.

Rule 6.4 – Quorum for general meetings

Under the New Constitution, the quorum for future general meetings of the Company will be at least 5 members present in person or by proxy, or members representing 10% of the voting shares.

Rule 6.7(b) – Calling a poll at general meetings

A poll may be called on a resolution being considered at a general meeting immediately before or immediately after the declaration of the result of the show of hands on that resolution, by:

- the chairperson;
- at least 5 members present in person and not excluded from voting on the resolution; or
- members present in person and representing not less than 5% of the total voting rights of all the members not excluded from voting on the resolution on a poll

Rule 6.7(e) – Casting vote of chairperson at general meetings

The New Constitution provides that in the event of an equality of votes at a general meeting, the chairperson will have a casting vote in addition to the votes that the chairperson has as a member. This is unchanged from the existing Constitution.

Rule 6.7 & 6.9 - Voting at company meetings

The voting provisions of the New Constitution provide that resolutions put to a general meeting must be decided by a show of hands unless a poll is demanded. The voting rights of Shareholders are unchanged from their current voting rights.

The New Constitution clearly sets out that in voting on a show of hands, each Shareholder (who is not excluded from voting) who is present has one vote only (even if that Shareholder has been appointed as the proxy for another Shareholder) and on a poll has one vote for each fully paid Share the Shareholder holds or represents.

Rule 6.10 – Direct voting

The New Constitution includes provisions that will enable Shareholders to vote directly on resolutions considered at a general meeting or class meeting by mailing, faxing or using other electronic means as approved by the Directors.

The inclusion of a direct voting provision in the Constitution will mean that, if the Directors decide to establish a direct voting facility for future Company meetings, shareholders who are entitled to vote at the relevant general or class meeting will still be able to directly exercise their voting rights even where they do not attend the meeting personally or by a proxy. The Directors will determine the procedures and regulations that will govern the implementation and use of direct voting.

Direct voting will operate concurrently with, and not replace, the proxy system provided for in the New Constitution and the Corporations Act.

Rule 6.11 & 6.12 - Proxies and corporate representatives

A Shareholder who is entitled to attend and vote at a general meeting may appoint a proxy to attend and vote in the place of that member. The New Constitution sets out the requirements for the valid appointment of a proxy (which may include by electronic means if the Directors so determine) and requires that proxy appointments be provided directly by the appointing Shareholder to the Company.

A Shareholder that is a corporate entity may appoint an individual as a corporate representative to exercise the powers of that Shareholder. The New Constitution sets out the requirements for the valid appointment of a corporate representative, including that written notice of the appointment must be provided to the Company not less than 4 hours before a meeting.

Rule 6.14 – Disregarding votes cast by excluded persons

Under the Listing Rules and the Corporations Act, certain Shareholders may be excluded from voting on resolutions in which they have a special interest. The New Constitution confirms that if votes are cast by a Shareholder who is excluded from voting, those votes will not be counted.

Rule 7.3, 7.4 & 7.10 - Director appointments and procedures

The Director appointment provisions of the New Constitution provide that a person can only be nominated for the office of Director if the person is:

- a Shareholder or is nominated by a Shareholder, and has given the amount of notice required under the Listing Rules or at least 40 business days notice;
- nominated by a majority of the existing Directors and has given to the Company a consent to act as a director of the Company; or

- ▶ standing for re-election, either through director rotation or having been appointed to fill a casual vacancy during the year.

If it is required by a Gaming Authority that an appointment of a Director be approved by the Gaming Authority, this Director cannot be appointed until the relevant Gaming Authority approvals have been sought and received.

The New Constitution confirms that technical disruptions experienced by Directors attending a meeting by telephone or other communication systems do not invalidate that meeting for lack of quorum, and that Directors' circulating resolutions may be received by electronic communication.

Rule 7.5 – Qualifications of Directors

The New Constitution sets out the circumstances which disqualify a person from acting as a Director, which include where the person has been disqualified from managing a corporation under the Corporations Act. The New Constitution does not require that a person must hold Shares in order to be a Director. The New Constitution provides for immediate vacation of office when a Director reaches the age of 72.

Rule 7.6 – Remuneration of Directors

The Directors are entitled to be remunerated for their services as Directors. The amount of the total remuneration paid to all non-executive Directors shall be determined from time to time by the Company in general meetings, and must not be increased without prior approval of the Company in general meeting.

Under the New Constitution, Directors of the Company are also entitled to be paid all travelling and other expenses properly incurred by them in attending and returning from Directors' meetings or committee or general meetings of the Company, and otherwise in connection with the business or affairs of the Company or its subsidiaries.

Directors who perform extra services for the Company or hold other offices in the Company may be paid such other remuneration for those services as the Directors think fit.

The New Constitution also provides that the (remaining) Directors may decide to make a payment upon the death or retirement of a Director if permitted under the Corporations Act.

Rule 7.8 - Periodic retirement of Directors

The New Constitution accordingly provides that each Director must not hold office as a Director after the third annual general meeting held after the Director was last appointed or elected, or 3 years after the date on which the Director was last appointed or elected. Directors who cannot continue in office because of this Rule are required to resign and may stand for re-election.

Rule 9.1 - 9.7 - Dividends & capitalising amounts

The Rules in the New Constitution that deal with the payment of dividends have been designed to accommodate a recent change to the law governing when a company may pay a dividend.

The New Constitution provides that the Directors can determine, declare and fix the amount and time for payment of a dividend as and when permitted by the Corporations Act. The Directors also have the power to determine:

- ▶ that dividends are to be paid from a particular source; or
- ▶ that a dividend be wholly or partly paid by a distribution of assets (including shares of another company); or
- ▶ to establish a dividend reinvestment plan; or
- ▶ to set aside reserves and to capitalise amounts as they think fit.

Rule 11.1 – Winding up

If the Company is wound up, the New Constitution provides that the liquidator may, if approved by a special resolution of Shareholders, divide the Company's assets among the Shareholders in the manner determined by the liquidator. A Shareholder cannot be forced to accept any assets of the Company in respect of which a liability remains.

Rule 12 – Directors' indemnity & insurance

To the extent permitted by law, the Company must indemnify each Director and other officer of the Company against any liability incurred by the person in their capacity as Director or other officer, unless that liability arises out of conduct involving lack of good faith.

To the extent permitted by law, the Company may maintain insurance for liability incurred by its Directors and officers in their capacities as Directors and officers.

Rule 13.1 – Transferring, voting and dividend rights of restricted securities

The New Constitution provides that where the Company has Shares that are classified by the ASX as being restricted securities, the Company cannot register any transfer of those Shares. If there is a breach of the Listing Rules or restriction agreement in respect of restricted Shares, the holder will not be entitled to dividends or voting rights in relation to those Shares.

The Directors intend to implement this mechanism shortly following the AGM, if Resolution 4 is approved.

As at the date of this Notice, the Company has no Shares that are classified by the ASX as restricted securities.

Rule 14 - Small Holdings

The New Constitution provides the Company with a mechanism to divest a holder of unmarketable parcels of Shares by selling those Shares on-market or otherwise disposing of the Shares in the manner determined by the Directors. Currently, an unmarketable parcel of Shares is a holding that has a value of less than \$500. The procedure gives holders of these small parcels an ability to elect to retain their small holding of Shares.

Shareholders who do not choose to retain their Shares will be paid the proceeds of the sale after the sale procedure has completed.

As mentioned above, a copy of the New Constitution is available prior to the meeting by calling Richard Standen on + 61 2 8817 4700.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

5. Approval and adoption of Employee Share Trust Plan

The Directors have engaged the services of an independent firm of consultants, specialising in executive remuneration and the design and implementation of employee ownership and incentive schemes.

Access to contemporary, tax preferred employee Share and incentive plans is considered by the Directors to be a desirable prerequisite to ensure the Company can offer competitive rewards to its employees. The Directors have decided to introduce the Employee Share Trust Plan (**ESTP**), which is being put to Shareholders for approval.

The ESTP will give eligible employees of the Company an effective way of owning Shares and participating in the financial performance of the Company.

Listing Rule 7.1 provides a formula that limits the number of equity securities the Company may issue without Shareholder approval to 15% of each class of securities within any 12-month period.

Exception 9 of Listing Rule 7.2 provides that Listing Rule 7.1 will not apply to an issue of Shares under the ESTP where issues of Shares under the ESTP have been approved by a resolution of Shareholders made during the previous 3 years.

Resolution 5 requires Shareholder approval for future issues of Shares under the ESTP for the purposes of Exception 9 of Listing Rule 7.2. By obtaining Shareholder approval, the Company will be able to issue Shares under the ESTP without Shareholder approval, that might otherwise be required under Listing Rule 7.1. This will give the Board the flexibility to issue Shares on the terms set out in the ESTP during the next 3 years.

Section 260A of the Corporations Act 2001 sets out certain requirements that a company must comply with in order to be able to financially assist a person to acquire shares in that company. The operation of the ESTP involves financial assistance in connection with the acquisition of Shares.

Section 260C(4) of the Corporations Act provides that the provision of financial assistance under an employee share scheme that is approved by a resolution passed at a general meeting of the company will be exempted from the requirements of Section 260A. Accordingly, Shareholder approval for the provision of financial assistance under the ESTP is being sought for the purposes of Section 260C(4) of the Corporations Act.

The following is a summary of the ESTP:

Overview

The ESTP allows the Company to issue Shares to eligible employees invited to participate in the ESTP based on their position, responsibilities and years of service.

Who is eligible to participate?

Participation is by invitation only. That is, only those employees invited by the Board to apply will be eligible to participate.

Operation of Plan

The ESTP is designed to operate with the use of a loan provided by the Trustee equivalent to the value of the Shares offered to the employee to enable the employee to subscribe for Share Units in the ESTP.

- ▶ The trustee of the XESTP is Trinity Management Pty Ltd (**XESTP Trustee**).
- ▶ The Shares are acquired by the ESTP Trustee at market price at the date of issue.
- ▶ Shares are paid for by way of an interest-free (unless otherwise determined by the Board), non-recourse loan provided by the ESTP Trustee. The loans will not be required to be repaid until the Share Units are sold.
- ▶ By approving the ESTP, Shareholders will be approving the making of these loans for the purposes of Section 260C of the Corporations Act.
- ▶ The eligible employee may also be invited to apply for further allocations offered as part of the ESTP, which will have stipulated vesting conditions set as terms of issue of the Share Units (**Terms of Issue**).
- ▶ Provided the vesting conditions and any performance conditions, as set out in the employee's employment contract and the Terms of Issue, are fulfilled, the Shares will vest in the employee.
- ▶ Once the Shares have been vested and the eligible employee instructs the Trustee to sell the Shares, the Share Units are redeemed (cancelled) and that employee receives an amount equal to the value of those Shares.

Performance Conditions

Issues under the ESTP may be subject to vesting, performance and other conditions. The conditions imposed may vary from offer to offer, and will be set out in each employee's terms of employment.

The Board may also determine to impose length of service conditions in order to maximise the long term incentive benefit of the ESTP.

Voting

No voting rights will be exercised by the ESTP Trustee in relation to the Shares held in the ESTP, unless instructions are received from the participating employee to vote in respect of his or her Shares, except on any matters before Shareholders concerning the ESTP, or matters dealt with in the meeting and voted on by a show of hands.

Dividends

A participant in the ESTP is entitled to receive any dividend or distribution paid in respect of Shares held under the ESTP on his or her behalf, unless otherwise determined by the Board.

Other rights

Shares issued under the ESTP will be listed and, apart from the above voting rights, will be issued on the same terms as, and will rank equally with, other Shares.

Cessation of employment

When the employment of a participating employee terminates for any reason, he or she will receive the Shares held under the ESTP on his or her behalf, except when:

- any performance conditions or vesting conditions set down have not been satisfied; or
- the employee is dismissed for cause, in which case the Board has discretion to require forfeiture of any Shares held under the ESTP.

In the case of forfeiture, the Trustee will redeem Share Units at the issue price and repay any loan amounts owing on the Share Units.

Limitation on issue

The number of Shares that may be issued under the ESTP, when aggregated with the number of Shares issued under any of the Company's employee Share plans during the previous 5 years and the number of Shares which would be issued if all other offers or invitations to acquire unissued Shares pursuant to any of the Company's employee Share plans were accepted or exercised, must not exceed 5% of the total number of issued Shares at the time, disregarding the following:

- any Share or option for a Share offered or issued to a person resident outside Australia at the time of receipt of the offer or invitation;
- any offer that is an excluded offer within the meaning of the Corporations Act or any relevant Class Order;
- any Share or option for a Share offered or issued under a disclosure document or product disclosure statement; and
- any Share or option for a Share offered or issued by way of an offer or invitation which doesn't need disclosure under the Corporations Act.

Variation of Rules

The Board may alter the ESTP Rules or their application in accordance with the Listing Rules and otherwise in accordance with the ESTP Rules.

Voting entitlements

The Company will disregard any votes cast on Resolution 5 by any Director of the Company, or any Associate of any Director of the Company (except as permitted under the Listing Rules).

A copy of the ESTP Trust Deed may be requested from the Company Secretary, on (02) 8817 4700. No shares have previously been issued under the ESTP.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

6. Approval and adoption of Key Employee Share Trust Plan

The Directors have engaged the services of an independent firm of consultants, specialising in executive remuneration and the design and implementation of employee ownership and incentive schemes.

Access to contemporary, tax preferred employee Share and incentive plans is considered by the Directors to be a desirable prerequisite to ensure the Company can offer competitive rewards to its key employees. The Directors have decided to introduce the Key Employee Share Trust Plan (**KESTP**), which is being put to Shareholders for approval.

The KESTP will give eligible key employees of the Company an effective way of owning Shares and participating in the financial performance of the Company.

Listing Rule 7.1 provides a formula that limits the number of equity securities the Company may issue without Shareholder approval to 15% of each class of securities within any 12-month period.

Exception 9 of Listing Rule 7.2 provides that Listing Rule 7.1 will not apply to an issue of Shares under the KESTP where issues of Shares under the KESTP have been approved by a resolution of Shareholders made during the previous 3 years.

Resolution 6 requires Shareholder approval for future issues of Shares under the KESTP for the purposes of Exception 9 of Listing Rule 7.2. By obtaining Shareholder approval, the Company will be able to issue Shares under the KESTP without Shareholder approval that might otherwise be required under Listing Rule 7.1. This will give the Board the flexibility to issue Shares on the terms set out in the KESTP during the next 3 years.

Section 260A of the Corporations Act sets out certain requirements that a company must comply with in order to be able to financially assist a person to acquire shares in that company. The operation of the KESTP involves financial assistance in connection with the acquisition of Shares.

Section 260C(4) of the Corporations Act provides that the provision of financial assistance under an employee share scheme that is approved by a resolution passed at a general meeting of the company will be exempted from the requirements of Section 260A. Accordingly, Shareholder approval for the provision of financial assistance under the KESTP is being sought for the purposes of Section 260C(4) of the Corporations Act.

The following is a summary of the KESTP:

Overview

The KESTP allows the Company to issue Shares to eligible key employees invited to participate in the KESTP based on their position, responsibilities and years of service.

Who is eligible to participate?

Participation is by invitation only. That is, only those key employees invited by the Board to apply will be eligible to participate.

Operation of Plan

The KESTP is designed to operate with the use of a loan provided by the Trustee equivalent to the value of the Shares offered to the employee to enable the employee to subscribe for Share Units in the KESTP.

- The trustee of the KESTP is Trinity Management Pty Ltd (**KESTP Trustee**).
- The Shares are acquired by the KESTP Trustee at market price at the date of issue.
- Shares are paid for by way of an interest-free (unless otherwise determined by the Board), non-recourse loan provided by the KESTP Trustee. The loans will not be required to be repaid until the Share Units are sold.
- By approving the KESTP, Shareholders will be approving the making of these loans for the purposes of Section 260C of the Corporations Act.
- The eligible key employee may also be invited to apply for further allocations offered as part of the KESTP, which will have stipulated vesting conditions set as terms of issue of the Share Units (Terms of Issue).
- Provided the vesting conditions and any performance conditions, as set out in the key employee's employment contract and the Terms of Issue, are fulfilled, the Shares will vest in the key employee.
- Once the Shares have been vested and the eligible employee instructs the Trustee to sell the Shares, the Share Units are redeemed (cancelled) and that employee receives an amount equal to the value of those Shares.

Performance Conditions

Issues under the KESTP may be subject to vesting, performance and other conditions. The conditions imposed may vary from offer to offer, and will be set out in each employee's terms of employment.

The Board may also determine to impose length of service conditions in order to maximise the long term incentive benefit of the KESTP.

Voting

No voting rights will be exercised by the KESTP Trustee in relation to the Shares held in the KESTP, unless instructions are received from the participating key employee to vote in respect of his or her Shares, except on any matters before Shareholders concerning the KESTP, or matters dealt with in the meeting and voted on by a show of hands.

Dividends

A participant in the KESTP is entitled to receive any dividend or distribution paid in respect of Shares held under the KESTP on his or her behalf, unless otherwise determined by the Board.

Other rights

Shares issued under the KESTP will be listed and, apart from the above voting rights, will be issued on the same terms as, and will rank equally with, other Shares.

Cessation of employment

When the employment of a participating key employee terminates for any reason, he or she will receive the Shares held under the KESTP on his or her behalf, except when:

- any performance conditions or vesting conditions set down have not been satisfied; or
- the key employee is dismissed for cause, in which case the Board has discretion to require forfeiture of any Shares held under the KESTP.

In the case of forfeiture, the Trustee will redeem Share Units at the issue price and repay any loan amounts owing on the Share Units.

Limitation on issue

The number of Shares that may be issued under the KESTP, when aggregated with the number of Shares issued under any of the Company's employee Share plans during the previous 5 years and the number of Shares which would be issued if all other offers or invitations to acquire unissued Shares pursuant to any of the Company's employee Share plans were accepted or exercised, must not exceed 5% of the total number of issued Shares at the time, disregarding the following:

- any Share or option for a Share offered or issued to a person resident outside Australia at the time of receipt of the offer or invitation;
- any offer that is an excluded offer within the meaning of the Corporations Act or any relevant Class Order;
- any Share or option for a Share offered or issued under a disclosure document or product disclosure statement; and
- any Share or option for a Share offered or issued by way of an offer or invitation which doesn't need disclosure under the Corporations Act.

Variation of Rules

The Board may alter the KESTP Rules or their application in accordance with the Listing Rules and otherwise in accordance with the KESTP Rules.

Voting entitlements

The Company will disregard any votes cast on Resolution 6 by any Director of the Company, or any Associate of any Director of the Company (except as permitted under the Listing Rules).

A copy of the KESTP Trust Deed may be requested from the Company Secretary, on (02) 8817 4700. No shares have previously been issued under the KESTP.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

7. Approval and adoption of Executive Share Trust Plan

The Directors have engaged the services of an independent firm of consultants, specialising in executive remuneration and the design and implementation of employee ownership and incentive schemes.

Access to contemporary, tax preferred employee Share and incentive plans is considered by the Directors to be a desirable prerequisite to ensure the Company can offer competitive rewards to its employees. The Directors have decided to introduce the Executive Share Trust Plan (**XSTP**), which is being put to Shareholders for approval.

The XSTP will give eligible executive employees of the Company an effective way of owning Shares and to participate in the financial performance of the Company.

Listing Rule 7.1 provides a formula that limits the number of equity securities the Company may issue without Shareholder approval to 15% of each class of securities within any 12-month period.

Exception 9 of Listing Rule 7.2 provides that Listing Rule 7.1 will not apply to an issue of Shares under the XSTP where issues of Shares under the XSTP have been approved by a resolution of Shareholders made during the previous 3 years.

Resolution 7 requires Shareholder approval for future issues of Shares under the XSTP for the purposes of Exception 9 of Listing Rule 7.2. By obtaining Shareholder approval, the Company will be able to issue Shares under the XSTP without Shareholder approval that might otherwise be required under Listing Rule 7.1. This will give the Board the flexibility to issue Shares on the terms set out in the XSTP during the next 3 years.

Section 260A of the Corporations Act sets out certain requirements that a company must comply with in order to be able to financially assist a person to acquire shares in that company. The operation of the XSTP involves financial assistance in connection with the acquisition of Shares.

Section 260C(4) of the Corporations Act provides that the provision of financial assistance under an employee share scheme that is approved by a resolution passed at a general meeting of the company will be exempted from the requirements of Section 260A. Accordingly, Shareholder approval for the provision of financial assistance under the XSTP is being sought for the purposes of Section 260C(4) of the Corporations Act.

The following is a summary of the XSTP:

Overview

The XSTP allows the Company to issue Shares to executives invited to participate in the XSTP based on their position, responsibilities and years of service.

Who is eligible to participate?

Participation is by invitation only. That is, only those executives invited by the Board to apply will be eligible to participate.

Operation of Plan

The XSTP is designed to operate with the use of a loan provided by the Trustee equivalent to the value of the Shares offered to the executive to enable the executive to subscribe for Share Units in the XSTP.

- The trustee of the XSTP is Trinity Management Pty Ltd (**XSTP Trustee**).
- The Shares are acquired by the XSTP Trustee at market price at the date of issue.
- Shares are paid for by way of an interest-free (unless otherwise determined by the Board), non-recourse loan provided by the XSTP Trustee. The loans will not be required to be repaid until the Share Units are sold.
- By approving the XSTP, Shareholders will be approving the making of these loans for the purposes of Section 260C of the Corporations Act.
- The executive may also be invited to apply for further allocations offered as part of the XSTP, which will have stipulated vesting conditions set as terms of issue of the Share Units (Terms of Issue).
- Provided the vesting conditions and any performance conditions, as set out in the executive's employment contract and the Terms of Issue, are fulfilled, the Shares will vest in the executive.
- Once the Shares have been vested and the executive instructs the Trustee to sell the Shares, the Share Units are redeemed (cancelled) and that executive receives an amount equal to the value of those Shares.

Performance Conditions

Issues under the XSTP may be subject to vesting, performance and other conditions. The conditions imposed may vary from offer to offer, and will be set out in each employee's terms of employment.

The Board may also determine to impose length of service conditions in order to maximise the long term incentive benefit of the XSTP.

Voting

No voting rights will be exercised by the XSTP Trustee in relation to the Shares held in the XSTP, unless instructions are received from the participating executive to vote in respect of his or her Shares, except on any matters before Shareholders concerning the XSTP, or matters dealt with in the meeting and voted on by a show of hands.

Dividends

A participant in the XSTP is entitled to receive any dividend or distribution paid in respect of Shares held under the XSTP on his or her behalf, unless otherwise determined by the Board.

Other rights

Shares issued under the XSTP will be listed and, apart from the above voting rights, will be issued on the same terms as, and will rank equally with, other Shares.

Cessation of employment

When the employment of a participating executive terminates for any reason, he or she will receive the Shares held under the XSTP on his or her behalf, except when:

- any performance conditions or vesting conditions set down have not been satisfied; or
- the executive is dismissed for cause, in which case the Board has discretion to require forfeiture of any Shares held under the XSTP.

In the case of forfeiture, the Trustee will redeem Share Units at the issue price and repay any loan amounts owing on the Share Units.

Limitation on issue

The number of Shares that may be issued under the XSTP, when aggregated with the number of Shares issued under any of the Company's employee Share plans during the previous 5 years and the number of Shares which would be issued if all other offers or invitations to acquire unissued Shares pursuant to any of the Company's employee Share plans were accepted or exercised, must not exceed 5% of the total number of issued Shares at the time, disregarding the following:

- any Share or option for a Share offered or issued to a person resident outside Australia at the time of receipt of the offer or invitation;
- any offer that is an excluded offer within the meaning of the Corporations Act or any relevant Class Order;
- any Share or option for a Share offered or issued under a disclosure document or product disclosure statement; and
- any Share or option for a Share offered or issued by way of an offer or invitation which doesn't need disclosure under the Corporations Act.

Variation of Rules

The Board may alter the XSTP Rules or their application in accordance with the Listing Rules and otherwise in accordance with the XSTP Rules.

Voting entitlements

The Company will disregard any votes cast on Resolution 7 by any Director of the Company, or any Associate of any Director of the Company (except as permitted under the Listing Rules).

A copy of the XSTP Trust Deed may be requested from the Company Secretary, on (02) 8817 4700. No shares have previously been issued under the XSTP.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

8. Approval and Adoption of Salary Sacrifice Share Plan

The Directors have decided to introduce the Salary Sacrifice Share Plan (SSSP), which is being put to Shareholders for approval.

The SSSP will give all full-time and permanent part-time staff and employees of the Company with at least six (6) months service and who are also Australian tax residents (Eligible Employees) an effective way of acquiring an ownership interest in the Company and to share in its financial performance.

Listing Rule 7.1 provides a formula that limits the number of equity securities the Company may issue without Shareholder approval to 15% of each class of securities within any 12-month period.

Exception 9 of Listing Rule 7.2 provides that Listing Rule 7.1 will not apply to an issue of Shares under the SSSP where issues of Shares under the SSSP have been approved by a resolution of Shareholders made during the previous 3 years.

Resolution 8 requires Shareholder approval for future issues of Shares under the SSSP for the purpose of Exception 9 of Listing Rule 7.2. By obtaining Shareholder approval, the Company will be able to issue Shares under the SSSP without Shareholder approval that might otherwise be required under Listing Rule 7.1. This will give the Board the flexibility to issue Shares on the terms set out in the SSSP during the next 3 years.

The following is a summary of the SSSP:

Overview

The SSSP allows Eligible Employees the ability to nominate an amount of up to \$5,000 per annum of their prospective salary or bonuses to acquire Shares under the SSSP.

Who is eligible to participate?

Eligible Employees are all full-time and permanent part-time staff and employees of the Company with at least six (6) months service, and who are also Australian tax residents.

Operation of plan

Trinity Management Pty Ltd (ACN 118 314 515) (**SSSP Trustee**) will acquire the Shares for participating Eligible Employees on the ASX.

The Shares will be paid for by Trinity Management Pty Ltd (**SSSP Administrator**) using contributions from the Company representing pre-tax salary forgone by participating Eligible Employees.

- An Eligible Employee can allocate a maximum of \$5,000 per annum from their pre-tax salary and/or bonus, which is equivalent to \$416.67 per month, towards acquiring Shares under the SSSP.
- Company Shares will be acquired on the ASX each quarter.

- For example, if an Eligible Employee were to participate in the SSSP at the rate of \$5,000 per annum, each month they can sacrifice up to the amount of \$416.67. Shares will be acquired on the ASX at the prevailing market prices, within 3 weeks after the quarter in which the sacrifices of salary are made. If the share price were to be \$4.30, then 290 Shares would be purchased on that Eligible Employee's behalf, making an actual cost of \$1,247. The remaining \$3.00 would be added to the next share purchase.
- As the SSSP is a continuing plan, the SSSP Trustee will continue to acquire Shares on behalf of the Eligible Employee each year under the SSSP, at their nominated rate.
- The Eligible Employee can vary or cancel their nominated annual rate prior to 1 July each year by notifying the SSSP Administrator in writing.

Restrictions on Shares

The Shares will be registered in the name of the SSSP Trustee and will be allocated to the Eligible Employee subject to restrictions on disposal, as restricted Shares for a period three (3) years, or earlier on termination of employment. This restriction is required in order to attract the tax deferral on the Shares. The Shares may be withdrawn from the SSSP Trust at any time after three (3) years from the date of allocation, when the Shares become unrestricted Shares.

Unrestricted Shares

After the Eligible Employee has held the Shares for three (3) years and the Shares become unrestricted Shares, the Eligible Employee may obtain an interest free loan and preserve its Shares in the SSSP until the time of sale and/or termination of employment with the Company.

Voting

The Eligible Employee may have the SSSP Trustee vote at general shareholder meetings in respect of the Shares held in the SSSP on their behalf, except on any matters before Shareholders concerning the SSSP, or matters dealt with in meetings and voted on by a show of hands.

Dividends

A participant in the SSSP is entitled to receive any dividend or distribution paid in respect of Shares held under the SSSP on his or her behalf, unless otherwise determined by the Board.

Other rights

Shares issued under the SSSP will be listed and, apart from the above voting rights, will be issued on the same terms as, and will rank equally with, other Shares.

Cessation of employment and withdrawal from SSSP

The Shares must remain in the SSSP for at least three (3) years from the date of each purchase, unless the Eligible Employee leaves the employment of the Company.

The Eligible Employee may preserve their Shares in the SSSP for as long as they wish, whilst they remain an employee of the Company. Alternatively, the Eligible Employee may decide to sell their unrestricted Shares at any time after the three (3) year period has lapsed.

If the Eligible Employee leaves the employment of the Company, or wishes to withdraw their Shares which have been in the SSSP for more than three (3) years, the Share withdrawal will be handled in one of two ways:

- the Eligible Employee may request to receive the cash value of the Shares; or
- the Eligible Employee may request to have the Shares transferred into their name.

Limitation on issue

The number of Shares that may be issued under the SSSP, when aggregated with the number of Shares issued under any of the Company's employee Share plans during the previous 5 years and the number of Shares which would be issued if all other offers or invitations to acquire unissued Shares pursuant to any of the Company's employee Share plans were accepted or exercised, must not exceed 5% of the total number of issued Shares at the time, disregarding the following:

- any Share or option for a Share offered or issued to a person resident outside Australia at the time of receipt of the offer or invitation;
- any offer that is an excluded offer within the meaning of the Corporations Act or any relevant Class Order;
- any Share or option for a Share offered or issued under a disclosure document or product disclosure statement; and
- any Share or option for a Share offered or issued by way of an offer or invitation which doesn't need disclosure under the Corporations Act.

Variation of Rules

The Board may alter the SSSP Rules or their application in accordance with the Listing Rules and otherwise in accordance with the SSSP Rules.

Voting entitlements

The Company will disregard any votes cast on Resolution 8 by any Director of the Company, or any Associate of any Director of the Company (except as permitted under the Listing Rules).

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

A copy of the SSSP Trust Deed may be requested from the Company Secretary, on (02) 8817 4700. No shares have previously been issued under the SSSP.

9. Grant of Convertible Notes to WMS Gaming Inc.

On 2 July, 2009, the Company and WMS Gaming Inc. (WMS) entered into a convertible note facility subscription agreement (Facility Agreement) whereby the Company may, over a 4 year period commencing on 2 July, 2009, request an advance of funds from WMS of up to \$3.5 million. In the event the Company requests an advance of funds, it must in turn issue up to 140,000 convertible notes (Notes) to WMS at a specified issue price.

Resolution 9 seeks Shareholder approval in accordance with ASX Listing Rule 7.1 for the proposed issue of the Notes to the value of \$3,500,000 to WMS, which would give WMS the right to be issued up to 31,818,181 new Shares on conversion, in accordance with the terms of the Facility Agreement.

Shareholders approved the issue of the Notes at the Company's 2009 annual general meeting for the purposes of Listing 7.1. Such approval was valid for any Notes issued prior to 27 September 2010.

To date, the Company has not drawn down any funds or issued any Notes under the Facility Agreement. The Company now wishes to seek further Shareholder approval for the issue of the Notes for the purposes of Listing Rule 7.1.

Listing Rule 7.3.2 states that this Notice must include the date by which the Company will issue the Notes, which must be a date no later than 3 months after the date of the meeting where shareholders approve their issue. Prior to the Company's 2009 annual general meeting (2009 AGM), the ASX granted a waiver of Listing Rule 7.3.2, extending the period of time by which the Company could issue Notes to 10 months after shareholder approval for their issue at the 2009 AGM. The Company has applied to the ASX for a new waiver of Listing Rule 7.3.2 requesting that, subject to Shareholder approval for the issue of the Notes at this AGM, the date by which the Company may issue the Notes may be extended.

The essential terms of the Notes to be issued are as follows:

- the facility limit to eBet is \$3.5 million;
- the purpose of the Facility Agreement is, principally, to fund the purchase of WMS products;
- the maximum number of Notes to be issued is 140,000;
- the issue date may occur at any time up until 1 July 2010. However, the approval of the issue of the Notes for the purposes of Listing Rule 7.1 will only be valid for Notes issued prior to that time which is approved by the ASX in the waiver application discussed above, or, failing the grant of any waiver, within 3 months of the AGM;
- the issue price is \$25 per Note;
- the allottee of the Notes will be WMS;
- allotment of the Notes will take place progressively as the Company draws down from the facility pursuant to the Facility Agreement;
- the Notes are available to be issued in accordance with the Facility Agreement at any time up to 1 July, 2013 (subject to relevant approvals);
- the term of the Notes is 5 years after the first issue of Notes;
- the interest rate on the cash drawn down pursuant to the Facility Agreement is 8.5% fixed, payable at 6 monthly intervals;

- early redemption is possible in the following circumstances:
 - by the noteholder, where the Company is in default (standard termination events apply); or
 - by the Company, at any time after the third anniversary of the first issue of Notes, where the 5 day volume weighted average price of Shares is not less than 115% of the conversion price;
- the conversion price is \$0.11 per ordinary share, subject to being re-set under the reconstruction and anti--dilution provisions of the Facility Agreement (Conversion Price);
- the conversion period is 3 years after each issue of Notes;
- the following limits apply to conversion:
 - 1/3 of the outstanding convertible Notes may be converted at any time after the expiry of 12 months from the first issue of Notes;
 - 2/3 of the outstanding convertible Notes may be converted at any time after the expiry of 24 months from the first issue of Notes; and
 - 100% of outstanding convertible Notes may be converted at any time after the expiry of 36 months from the first issue of Notes.

If WMS converts all 140,000 Notes, then it will become entitled to 31,818,181 Shares representing approximately 12.69% of the Company's enlarged Share capital, assuming that there is no change in the Company's current share structure.

Listing Rule 7.1 provides that, without the approval of Shareholders, the Company must not issue or agree to issue more equity securities if such issue, when aggregated with the securities issued by the Company during the previous 12 months, would be such amount that would exceed 15% of the issued Shares at the commencement of that 12 month period.

Accordingly, Shareholder approval of Resolution 9 is sought for the purposes of Listing Rule 7.1.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman intends to vote undirected proxies in favour of this Resolution.

10. Grant of Share Units to Anthony Peter Toohey under the eBet Executive Share Trust Plan.

Resolution 10 seeks shareholder approval for the grant of 1,000,000 Share Units to Anthony Peter Toohey, Chief Executive Officer and Managing Director of the Company, pursuant to the XSTP, and otherwise on the terms and conditions set out in this notice. The granting of 1,000,000 Share Units forms an important part of the Company's executive remuneration policy, details of which are set out in the Company's Remuneration Report.

Mr Toohey is the only Director currently entitled to participate in the eBet Executive Share Trust Plan (XSTP). Shareholders are being asked to approve:

- a) the issue of up to 1,000,000 Shares to the XSTP Trustee to be held for the benefit of Mr Anthony Peter Toohey, a Director of the Company; and
- b) an interest-free (unless otherwise determined by the Board), non-recourse loan by the Company to the XSTP Trustee to enable it to acquire the Shares it will hold for the benefit of Mr Anthony Peter Toohey.

Section 260A of the Corporations Act 2001 sets out certain requirements that a company must comply with in order to be able to financially assist a person to acquire shares in that company. The issue of Share Units to Anthony Peter Toohey under the terms of the XSTP involves financial assistance being provided by the Company.

Section 260C(4) of the Corporations Act provides that the provision of financial assistance under an employee share scheme that is approved by a resolution passed at a general meeting of the company will be exempted from the requirements of Section 260A. Accordingly, Shareholder approval for the provision of financial assistance in relation to the issue of Share Units to Anthony Peter Toohey under the XSTP is being sought for the purposes of Section 260C(4) of the Corporations Act.

The ASX requires, under Listing Rule 10.14, that Shareholders approve the grant of new securities to a Director. Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Share Units:

- The 1,000,000 Share Units are to be issued to Anthony Peter Toohey who, by virtue of being a Director of the Company, is a related party of the Company.
- The value of the Share Units to be granted to Mr Toohey for 2011 is equivalent to 17% of his fixed annual remuneration for FY 2010, being a sum of \$82,000 based on a closing share price on 30 September, 2010 of \$0.082.
- The price of the Share Units to be issued to Mr Toohey will be the closing market price of Shares on the date of issue of the Share Units, in accordance with the XSTP. This issue price will be paid by means of a loan provided by the Trustee which is equivalent to the value of the Shares offered to Mr Toohey, to enable him to subscribe for the Share Units in the XSTP.
- No persons have previously received Share Units under the XSTP as at the date of this AGM.
- Participation in the XSTP is by invitation only. That is, only those executives invited by the Board to apply will be eligible to participate.
- Shares will be paid for by way of the non-recourse loan provided by the XSTP Trustee as described above. The loan will not be required to be repaid until the Share Units are sold.

- The Share Units will be granted to Mr Toohey no later than 1 year after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

Other terms

- a) Each Share Unit will entitle Mr Toohey to receive one share in the Company, subject to the relevant performance conditions being satisfied and the Share Unit vesting.
- b) Share Units will only vest if the relevant performance conditions are satisfied. The performance conditions for the grant of Share Units will be tested in respect of FY 2011. Share Units will be issued on the following basis :-
 - 250,000 Share Units, if the Company achieves a 20% increase in NPAT compared to FY 2010;
 - 250,000 Share Units, if the Company achieves a 20% increase in EPS compared to FY 2010; and
 - 500,000 Share Units if the Company is credited during FY 2011 with the purchase of electronic gaming machines from WMS of not less than the minimum number of such machines required under the distribution and services agreement with WMS, and those machines have been sold in the ordinary course of business.
- c) Details relating to participation in and operation of the XSTP are set out above under the explanation for Resolution 7.
- d) If members approve the Resolution 7, the Company will instruct the Trustee of the XSTP to allocate Shares for the benefit of Mr Toohey as described above.
- e) All shares will rank *pari passu* in all respects with the other Shares of the Company from the date of issue.
- f) Vesting also requires that Mr Toohey remains in full time employment with the Company over the three year vesting period.
- g) It is expected that the Trustee will allocate the Shares for the benefit of Mr Toohey within 30 days after obtaining member approval of the Resolution 7. In any event, any Shares allocated with the benefit of this approval will be issued before the first anniversary of the AGM.
- h) Vesting of the Share Units will be determined at the end of the performance period in 2011, following the announcement of the Company's results for FY2011 and testing of the performance conditions.
- i) In general, the Share Units are not transferable.

Other information

Mr Toohey declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Toohey) do not have a material personal interest in the outcome of Resolution 10 and recommend that Shareholders approve Resolution 10. The Chairman intends to vote undirected proxies in favour of this Resolution.

C. GLOSSARY

In this Notice and Explanatory Memorandum:

AGM means the Annual General Meeting of the Company to be held on 26 November, 2010.

Board means the board of directors of the Company.

Company means eBet Limited.

Constitution means the memorandum and constitution of the Company which is proposed to be replaced under Resolution 4.

Director means a director of the Company.

ESTP means the Company's Employee Share Trust Plan.

ESTP Rules means the rules governing the operation of the ESTP.

ESTP Trust Deed means the applicable trust deed or deeds made between the Company and the Trustee for the purposes of the ESTP, as amended from time to time.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Gaming Authority means a government authority which issues or grants any Licence, or admits persons to any roll or list which is necessary or appropriate for lawful operations of gaming and related businesses.

Gaming Laws means the laws, regulations and administrative declarations made by a government or Gaming Authority in any jurisdiction in which the Company or any of its subsidiaries operate from time to time, or in respect of which the Company or any of its subsidiaries have lodged an application to operate which has not been withdrawn.

KESTP means the Company's Key Employee Share Trust Plan.

KESTP Rules means the rules governing the operation of the KESTP.

KESTP Trust Deed means the applicable trust deed or deeds made between the Company and the Trustee for the purposes of the KESTP, as amended from time to time.

Licence means a licence or other regulatory approval necessary for the lawful operation of gaming and relevant business now or in the future engaged in by the Company or any of its subsidiaries in any jurisdiction, and issued by the Gaming Authority.

New Constitution means the new Constitution of the Company proposed to be adopted under Resolution 4.

Notice means the Notice of the AGM, including the Explanatory Memorandum and all annexures to those documents.

Listing Rules means the listing rules of ASX Limited.

Rule means a rule of the Constitution or New Constitution, as the case may be.

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Units means units issued by the Trustee to which Shares will be allocated in accordance with the relevant ESTP Trust Deed, KESTP Trust Deed or XSTP Trust Deed as applicable.

SSSP means the Company's Salary Sacrifice Share Plan.

SSSP Rules means the rules governing the operation of the SSSP.

SSSP Trust Deed means the applicable trust deed or deeds made between the Company and the Trustee for the purposes of the SSSP, as amended from time to time.

Trustee means the trustee under the relevant ESTP Trust Deed, KESTP Trust Deed or XSTP Trust Deed, as applicable.

XSTP means the Company's Executive Share Trust Plan.

XSTP Rules means the rules governing the operation of the XSTP.

XSTP Trust Deed means the applicable trust deed or deeds made between the Company and the Trustee for the purposes of the XSTP, as amended from time to time.