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21 January, 2010

ASX Markets Supervision Pty Limited  
Attn : Ms Suzanna Dabski  
20 Bridge Street,  
Sydney. NSW. 2000

By email

Dear Ms Dabski

**Re : eBet Limited ("eBet" and the "Company")**

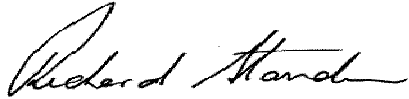
In response to your letter of 19 January 2010, we advise that the share purchases made on 12 November, 2009 by Gailforce Marketing & PR Pty Limited (as Trustee for The Hale Agency Superannuation Fund), a company associated with the Chairman of eBet, Mr Michael B Hale, were advised to us on 11 December 2009, and an Appendix 3Y was lodged immediately. We respond to each of your questions as follows :-

1. The late advice to eBet (and hence late lodgement of the relevant Appendix 3Y) was ultimately due to the fact that Mr. Hale was unaware the purchase had been made, having forgotten that he had a long term buy order in place. To further complicate matters, Mr Hale was travelling overseas at the time. On his return to Australia and in light of the multiple share purchases in November and early December 2009, Mr Hale undertook a reconciliation of his holdings which highlighted the oversight.
2. The Company's directors are required to notify share purchases / sales within 48 hours after the relevant transaction, in accordance with eBet's Securities Trading Policy. This Policy is reviewed by the Board of eBet in June each year.
3. The Company will take steps to create greater awareness of the importance of this compliance issue among the Board, employees and consultants, by requiring them to notify all purchase/sale orders to the Company Secretary within 24 hours after being placed.

The Company believes that the delay in notification was beyond its control in this instance,. However, the issue has highlighted some areas which require improvement, and believes the steps to be taken (as outlined above) will minimise the possibility of a recurrence of this issue.

During 2009, we lodged nine Director's trading notices, all of which except this one were lodged within the required time frame. Your correspondence, together with this response and a draft revised Securities Trading Policy will be tabled at our next Board meeting, to further reinforce the need for compliance with the ASX Listing Rules.

Regards,

A handwritten signature in cursive script, appearing to read "Richard Standen".

Richard Standen  
Company Secretary