

ASX RELEASE 24th OCTOBER 2005



EBET LIMITED MARKET UPDATE

• 4C SHOWS POSITIVE CASHFLOW • US LINKS UPDATE • FURTHER ASIAN EXPANSION

Leading gaming technology company eBet Limited (ASX: EBT) ("eBet") today provided a general market update and released its Appendix 4C Quarterly Cashflow Statement (copy attached).

The Company said its Appendix 4C Cashflow report for the period 30 September 2005 demonstrated a continuing trend of stronger cashflow quarter-on-quarter with the result of \$1.324 million representing an increase of 45% on the previous quarter and an increase of 366% on the prior corresponding period.

Managing Director and CEO, Mr. Tony Toohey, said that increased cash receipts reflected stronger domestic and international activities. Receipts from Customers were up more than 18% on the previous quarter to \$4.893M, an increase of more than 28% on the prior corresponding period.

The Company also advised that the Company had made a series of enhancements and changes to its US linked-jackpot business and operations which it believed would further enhance the Company's performance over time.

It said it had received technical approval from gaming testing lab GLI to introduce its linked-jackpot product offering on games manufactured by Aristocrat, Williams, Atronic and Spielo. These are in addition to the current approval to operate on games from world-leader IGT. It said that it expected these approvals to increase appeal and flexibility of the system and lead to an increase in machine numbers.

In response to market feedback from players and casinos eBet has varied its jackpot parameters through the introduction of a lower-level wide-area jackpot of US\$100,000 (previously US\$1,000,000). The Company said that this change would significantly increase jackpot "hit" frequency, a move it expects to further broaden appeal for players and casinos alike.

The aforementioned changes have enabled the Company to introduce "in-house" jackpots for casino operators in conjunction with the wide-area jackpot offering and to tailor new customized theme packages for participating casinos.

Mr. Tony Toohey said that market feedback to the new game approvals and the various product enhancements had been extremely positive with existing casinos agreeing to connect around 200 machines to new in-house links and in some cases add additional machines to the wide-area link. He said that he expected further expansion from the changes including the addition of more casinos.

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

"We have been through a strong and positive learning curve since launching the product in the US which has led to these variations and additions", said Mr. Toohey. He added, "We have worked closely with our existing casinos to enhance and revise our product offering to meet market and player feedback and opportunities; a process that we will continue with as we expand our operations".

The Company further advised that its international opportunities continued to improve with the recent expansion of its gaming systems into the Korean Gaming Market.

Mr. Toohey said that eBet was very happy to be working with the Walker Hill Gaming Group through their operations in Korea. In concluding he said that the Company sees Korea as with many parts of Asia, as an emerging gaming market, and that he believed that the opportunity further strengthened eBet's international gaming systems business.

About eBet

eBet Limited is listed on the ASX (Symbol: EBT) with operations and contractual arrangements in Australia, New Zealand, Greece, Singapore, the Philippines, Russia and the USA.

eBet develops and markets a range of networked solutions for gaming machines. It is one of the world's largest gaming systems companies with more than 450 customers who collectively operate more than 40,000 gaming machines. Its card-based cashless gaming systems, player tracking and loyalty systems, data management and linked-jackpot solutions are installed in leading gaming venues in Australia, New Zealand, the Philippines, Greece, Singapore, Russia and the USA.

eBet also develops and supports Internet-based wagering systems for licensed gaming operators in international markets. Its key customers are the New Zealand TAB and Penn National Gaming Inc. (NASDAQ: PENN).

Further Information: **Tony Toohey**
 CEO & Managing Director
 eBet Limited
 61 2 8748 8002

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000.

Name of entity

EBET LIMITED

ABN

59 056 210 774

Quarter ended ("current quarter")

30 SEPTEMBER 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	4,894	4,894
1.2 Payments for		
(a) staff costs	(1,402)	(1,402)
(b) advertising and marketing	(70)	(70)
(c) research and development	0	0
(d) leased assets	0	0
(e) other working capital	(2,094)	(2,094)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	16	16
1.5 Interest and other costs of finance paid	(20)	(20)
1.6 Income taxes paid	0	0
1.7 Other (provide details if material)	0	0
Net operating cash flows	1,324	1,324

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	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	1,324	1,324
Cash flows related to investing activities		
1.9 Payment for acquisition of: (a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) Intellectual property	(128)	(128)
(d) physical non-current assets	(49)	(49)
(e) other non-current assets	0	0
1.10 Proceeds from disposal of: (a) businesses (item 5)	0	0
(b) equity investments	0	0
(c) intellectual property	0	0
(d) physical non-current assets	0	0
(e) other non-current assets	0	0
1.11 Loans to other entities	0	0
1.12 Loans repaid by other entities	0	0
1.13 Other (provide details if material)	0	0
Net investing cash flows	(177)	(177)
1.14 Total operating and investing cash flows	1,147	1,147
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
1.16 Proceeds from sale of forfeited shares	0	0
1.17 Proceeds from borrowings (unsecured)	0	0
1.18 Repayment of borrowings	0	0
1.19 Dividends paid	0	0
1.20 Other (repayment of unsecured borrowings)	0	0
1.20 Other (repayment of directors fees)	0	0
Net financing cash flows	0	0
Net increase (decrease) in cash held	1,147	1,147
1.21 Cash at beginning of quarter/year to date	2,351	2,351
1.22 Exchange rate adjustments to item 1.20	0	0
1.23 Cash at end of quarter	3,498	3,498

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	214
1.25 Aggregate amount of loans to the parties included in item 1.11	Nil
<p>1.26 Explanation necessary for an understanding of the transactions</p> <p>An amount of \$87,602 was made to Tony Toohey (Managing Director/CEO of eBet Limited) during the quarter for salary and entitlements.</p> <p>An amount of \$73,575 was made to Russell Scott (CFO/COO of eBet Limited) during the quarter for salary and entitlements.</p> <p>An amount of \$12,500 was made to Mike Hale (Chairman of eBet Limited) during the quarter for directors fees relating to his role as chairman and an amount of \$16,667 for his role as chairman in 2002.</p> <p>An amount of \$12,262 was made to Keith Cullen (Director of eBet Limited) during the quarter for Directors Fees.</p> <p>An amount of \$10,900 was made to Jeff Zulman (Director of eBet Limited) during the quarter for Directors Fees.</p>	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements – General Overdraft	350	0

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,379	1146
4.2 Deposits at call	1,119	1,205
4.3 Bank overdraft	0	0
4.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	3,498	2,351

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation	N/A	N/A
5.3 Consideration for Acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 Managing Director/CEO

Date: 24 October 2005

Print name: Tony Toohey

Appendix 4C Notes

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with

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