

**Sportingbet Plc**  
**(“Sportingbet” or the “Group”)**

**Statement regarding US Legislation**

The Board of Sportingbet is disappointed to announce that late on Friday, 29 September 2006, a Committee of Conference of the United States Congress attached the Unlawful Internet Gambling Enforcement Act of 2006 (the "Act") to HR 4954, the Safe Port Act, which was then duly passed. The legislation is expected to be signed by President Bush and enacted in the very near future. Upon enactment, Internet Gaming companies will be immediately forbidden from accepting US financial transactions for the purposes of unlawful Internet Gambling, to the extent that they are considered unlawful under current US Federal and State law. The Act is not prescriptive as to what is and what is not unlawful under current US Federal and State law.

Following enactment, the United States Treasury and Federal Reserve have a period of 270 days to draft regulations and procedures to implement the new Act with respect to actions US financial institutions shall be required to take to identify and block transactions related to unlawful Internet Gambling. The Board is unclear at this time what will be included in such regulations and procedures and how this and other provisions of the Act may or may not be enforced against non-US corporates.

Whilst the Act has not sought to extend the scope of the 1961 Wire Act to specifically include Internet Gambling, the Act does seek to prevent certain forms of Internet Gambling in the US by prohibiting and criminalising relevant companies from making or receiving financial transactions using the US banking network. Should Sportingbet's non-US international banking partners determine that the Act applied to them, then Sportingbet would no longer be able to take deposits from US residents and this would have a material impact on the Company's trading performance.

The Board notes that US horse racing and US fantasy sports, insofar as they are lawful today, together with US intrastate and US intratribal internet gambling have been exempted from the legislation. The Board will be seeking clarification as to whether the Act is in violation of US commitments under the General Agreement of Trade and Services and representations made by the US in recent World Trading Organisation proceedings.

Since becoming aware of the Act being passed, the Board has taken extensive advice and will continue to take further advice over the next few days with the objective of further understanding the applicability and impact of the Act to Sportingbet's US facing business prior to taking any specific actions as a result of the Act. Once these determinations have been completed, the Board will make a further announcement and intends to comply with all international law that it is advised prevails in this matter.

During the year ended 31 July 2006, approximately 62% of gross win of Sportingbet was generated from US based customers, 26% from European customers and 12% from the rest of the World.

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