

12 October 2006

**Sportingbet Plc
("Sportingbet" or the "Group")**

Disposal of US Operations

Since the passing of the Unlawful Internet Gambling Enforcement Act of 2006 (the "Act") by US Congress on 29 September 2006, the Board and its advisors have undertaken a comprehensive legal and strategic review with regard to the Group's US operations. The advice received was consistent in substance and concluded that Sportingbet should not continue to provide gaming services to US based residents following the enactment of the legislation by the President of the United States.

Having considered the legal advice received and the options available, the Board concluded that a disposal of the Group's US-facing sports betting and casino operations together with the closure of its US poker operations was in the best interest of all stakeholders.

The Disposal

Sportingbet announces that it has sold, on 12 October 2006, its US-facing sports betting and casino business (the "US Operations") to Jazette Enterprises Limited ("JEL") (the "Disposal"). Sportingbet received cash consideration of US\$1 for the shares and related assets of the US Operations, and has discharged excess liabilities amounting to approximately US\$13.2 million. Had the business been closed, the Board estimated that the cost of severance and closure would have amounted to approximately US\$14.0 million – a total saving of circa US\$27.2 million.

Following the Disposal, neither Sportingbet, its Directors nor related parties will have any interest, commercial or otherwise, in JEL or the US Operations.

The US Operations employed over 500 people and the Board understands that JEL intends to preserve the operational structure to all material extent.

Under the terms of the Disposal, Sportingbet will retain the URLs and intellectual property of wallstreet.com, aces.com and sportingbetUSA.com though these will not be used for any US gaming purpose. In addition, JEL has agreed, for a period of two years, not to take bets from non-US residents and for a period of three years, not to take bets from customers outside the Americas region. Further, Sportingbet has retained the details of all non-US resident customers currently registered with the US Operations. Sportingbet will attempt to migrate those customers to its ongoing European business.

The Disposal is subject to a condition precedent that the Act is signed by the President of the United States and becomes law prior to the closing of the 109th Congressional Session. Should the Act not become law by the end of the 109th Congressional Session, JEL is entitled to payment of US\$0.5 million, and the US operations will revert back to Sportingbet.

Paradise Poker

Sportingbet will retain the Paradise Poker business, but will, with effect from 11.00am UK time, 13 October 2006, cease taking deposits from US resident customers.

To allow for an orderly wind down of the US Paradise business, Paradise Poker will remain open for US customers for real money poker play utilising their existing account balances for one month. At the end of the month long period, US residents will be prevented from playing real money poker at Paradise. In addition, the Board has taken immediate steps to prevent customers from ten US States where there is law prohibiting internet gambling from playing real money poker at Paradise Poker.

The Group will continue to market Paradise Poker in Canada, Europe and other relevant markets whilst maintaining its "dot net" free to play site for all customers.

Continuing Operations

The continuing operations of Sportingbet will consist of the Group's existing European sports, casino and poker business, the Australian sports business and the non-US business of Paradise Poker.

The Group will now focus on further development of its European and Australian businesses. The Australian business, now with a greater focus on the retail customer is generating more stable margins and therefore profitability. Across the Group, we will continue to focus our efforts on providing a high quality user experience backed by first class customer service.

Paradise Poker will concentrate on retaining the European based liquidity pool following the reduction in customer numbers from being no longer able to gain access from the US. The reduced customer numbers are expected to have an adverse impact on rake generated by these players. The non-US Paradise Poker platform will roll out multi-language and multi-currency facilities to complement our localised sports and casino offering. Europe will be the primary focus for Paradise marketing as we continue to exploit this high growth market.

The actions taken as a result of the passing of the Act are expected to create a significant exceptional item in the financial year ending 31 July 2007 due to the write down of goodwill and the costs of restructuring. It is the Board's intention to quantify these before announcing its first quarter results on 29 November 2006.

Commenting on the Disposal, Andrew McIver, Chief Executive designate, said:

"We are saddened to have to dispose of such a fantastic business as a result of political actions in the US Congress. The sale however, prevents significant closure costs which would have been both expensive and time consuming. It also preserves the employment of those of our colleagues who have worked so hard to build the US operations into the highly profitable business it is today.

Sportingbet will now focus on developing its business in other key markets of the world."

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