

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

SECTION 93 AA

The commitments in this undertaking are offered to the Australian Securities and Investments Commission ('ASIC') by:

Consolidated Gaming Corporation Limited (ACN 081 765 531)
Level 10
26 O'Connell Street
SYDNEY NSW 2000

1. BACKGROUND

- 1.1 ASIC has conducted an investigation in relation to suspected contraventions of subsection 995(2) of the Corporations Law ('the Law') in respect of the Consolidated Gaming Corporation Limited ('CGC') Prospectus dated 2 March 1999 and registered by ASIC on 16 March 1999 ('the Prospectus').
- 1.2 As a result of the investigation ASIC has formed the view that CGC has contravened subsection 995(2) of the Law by reason of the facts set out in paragraph 1.7 below.
- 1.3 As a result of having formed the view that the Prospectus contravenes subsection 995(2) of the Law, ASIC made interim orders on 1 April 1999 under subsection 1033(4) of the Law directing that no further securities to which the Prospectus relates be issued or allotted. Pursuant to subsection 1033(5) of the Law, the interim orders have effect for 21 days from the date the orders were made.
- 1.4 Subsection 1033(1) of the Law provides that ASIC, after complying with subsection 1033(5), may make orders directing that no further securities to which the Prospectus relates be allotted or issued.
- 1.5 Subsections 1114(1) and 1324(1) of the Law allow ASIC to apply to the Court for orders requiring CGC to refund subscription monies to persons who have applied for shares in CGC under the Prospectus.

- 1.6 ASIC has agreed to accept the commitments in this undertaking as an alternative to the exercise of the powers referred to in paragraphs 1.4 and 1.5 above.

Concerns of ASIC

- 1.7 The Prospectus includes a projection of profit before tax, for the year ending 31 December 1999 of \$3.8 million. Contributing to this projection is \$1.8 million in royalty payments from the sale by Ainsworth Game Technology Pty Limited of 1,800 Jockey Club II gaming machines prior to 31 December 1999.
- 1.8 The Prospectus does not address the assumptions on which the number of royalty payments received by CGC are based.
- 1.9 A component required for the operation of the Jockey Club II gaming machine is being prepared by Seta Corporation in Japan. ASIC is concerned that risks associated with the timing of its completion have not been addressed in the Prospectus.
- 1.10 The Prospectus does not make any reference to the time period between when the component being prepared by Seta is completed and the time when the Jockey Club II gaming machine is able to be submitted to the relevant Australian authorities for licensing.
- 1.11 The Prospectus does not disclose the time period associated with obtaining approval for the Jockey Club II gaming machine from the relevant Australian authorities.
- 1.12 By reason of the matters set out in paragraphs 1.7 to 1.11, ASIC is concerned that CGC has engaged in conduct that is misleading or deceptive or likely to mislead or deceive a person subscribing for shares pursuant to the Prospectus because the Prospectus does not contain all such information as investors and their professional advisers would reasonably require and reasonably expect to find in the Prospectus for the purpose of making an informed assessment of the profits and losses and financial position of CGC.
- 1.13 CGC, without any admission as to liability, acknowledges the concerns of ASIC referred to above and accordingly offers the undertakings set out in section 2 below.

2. UNDERTAKINGS

- 2.1 Pursuant to Section 93AA of the Australian Securities and Investments Commission Act, CGC undertakes that it will:
- (a) not allot or issue any further securities pursuant to the Prospectus;
 - (b) refund all subscription monies to persons who have applied for shares in CGC pursuant to the Prospectus on or before the fourteenth day after the date of this undertaking;
 - (c) refund all subscription monies to persons who apply in the future for shares in CGC pursuant to the Prospectus on or before the fourteenth day after the receipt by CGC of those subscription monies; and
 - (d) provide to ASIC, marked to the attention of Director Operations New South Wales, a statutory declaration of one of the directors of CGC that all the subscription monies refunded to those persons referred to in paragraph (b) have been refunded, within 7 days of those monies having been refunded.

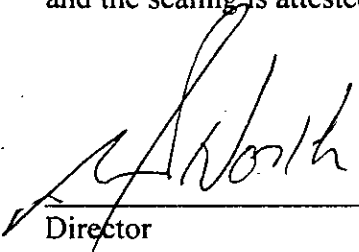
3. ACKNOWLEDGEMENTS

- 3.1 CGC acknowledges that it has obtained legal advice in relation to the content and effect of this undertaking.
- 3.2 CGC acknowledges that ASIC:
- (a) may issue a media release from the date this undertaking is executed by ASIC referring to the terms of this undertaking and the concerns of ASIC as expressed in this undertaking which led to its execution;
 - (b) may from time to time publicly refer to this undertaking; and
 - (c) will make this undertaking available for public inspection.
- 3.3 CGC acknowledges that this undertaking in no way derogates from the rights and remedies available to ASIC (subject to paragraph 1.6 above) or any other person or entity arising from any conduct described in this undertaking.
- 3.4 CGC acknowledges that ASIC's acceptance of an enforceable undertaking does not affect its power to investigate a contravention arising from the conduct in question or future conduct, or pursue a criminal prosecution or its power to lay charges.


3.5 CGC acknowledges that this undertaking has no operative force until accepted by ASIC.

The Common Seal of Consolidated
Gaming Corporation Limited)
(ACN 081 765 531) was duly affixed)
to this undertaking on April)
1999 in the presence of)
and the sealing is attested by:)





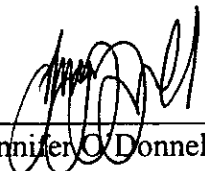
Director



Director/Secretary

**ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION PURSUANT TO SECTION 93AA OF THE AUSTRALIAN
SECURITIES AND INVESTMENTS COMMISSION ACT BY ITS DULY
AUTHORISED DELEGATE**

Date: 16 APRIL 1999



Jennifer O'Donnell
Director Business and Compliance
New South Wales Operations