

7 April 2009

**PartyGaming Plc  
(the 'Company')**

**Non-Prosecution Agreement Concluded with the US Authorities**

Further to previous announcements, the Company announces that it has entered into a Non-Prosecution Agreement with the US Attorney's Office for the Southern District of New York (the 'USAO').

Under the terms of the Non-Prosecution Agreement, the USAO will not prosecute PartyGaming Plc or any of its subsidiaries (collectively, 'PartyGaming' or the 'Group') for providing internet gambling services to customers in the US prior to the enactment of the Unlawful Internet Gambling Enforcement Act ('UIGEA') on 13 October 2006. As part of the agreement, the Company has accepted a Statement of Facts regarding its business activities prior to the enactment of the UIGEA and has agreed to pay \$105 million, payable in semi-annual instalments over a period ending on 30 September 2012. Such payments will be made from the Group's existing financial resources.

**Summary of key terms of the agreement**

- The Company has agreed to pay a total of \$105 million, payable as follows:
  - 10 April 2009 - \$5m
  - 30 September 2009 - \$10m
  - 31 March 2010 - \$15m
  - 30 September 2010 - \$15m
  - 31 March 2011 - \$15m
  - 30 September 2011 - \$15m
  - 31 March 2012 - \$15m
  - 30 September 2012 - \$15m
  
- The Company has entered into a Statement of Facts regarding its activities prior to 13 October 2006. Key elements of the agreement and factual background are as follows:
  - From 1997 until 13 October 2006, PartyGaming offered internet gaming to players located in the US, including real-money poker and casino gaming. On 13 October, 2006, the day the UIGEA was enacted, the Group voluntarily exited the US market.
  - Prior to 13 October 2006, certain of the US customer transactions intended for PartyGaming that were processed by third parties, and other gaming and payment-related activity, were contrary to certain US laws.
  - PartyGaming has agreed to maintain, with respect to its operations, a restriction preventing internet gambling services from being provided to customers in the US in violation of the prevailing law of the US or any jurisdiction within the US.
  - If requested by PartyGaming, the USAO will bring the co-operation and remedial actions of PartyGaming to the attention of other licensing and regulatory authorities.

Commenting on today's announcement, Jim Ryan, Chief Executive Officer said:

"The resolution of our position with the US authorities marks an important day for PartyGaming. It has been a long and complex process but we have reached an amicable solution with the USAO that makes commercial sense for our business and is in the best interests of shareholders. We are now well-placed to seize organic as well as strategic opportunities that previously were beyond our reach."

**Contacts:**

**PartyGaming Plc**

Peter Reynolds, Group Director of Corporate Affairs

John Shepherd, Director of Corporate Communications

+44 (0)207 7337 0100