

Ainsworth Game Technology Limited

ABN 37 068 516 665

PROSPECTUS

Renounceable Rights Issue to Shareholders of 2 New Shares for every 5 Ordinary Shares at $0.32 per New Share
and
Renounceable Rights Issue to Noteholders of 2 New Shares for every 5 Convertible Notes at $0.32 per New Share,
to raise together approximately $27.3 million

The last date for acceptance and payment in full is 14 December 2007.

This is an important document and requires your immediate attention.
It should be read in its entirety.
If you are in doubt about what to do, you should consult your professional adviser without delay.

Important Notice

This Prospectus
This Prospectus is dated 21 November 2007 and was lodged with ASIC on that date. Neither ASIC nor the ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for New Shares pursuant to this Prospectus may only be made during the Offer Period on the Entitlement and Acceptance Form(s) attached to, or accompanying, this Prospectus. The form(s) will only be available with printed copies of this Prospectus.

ASX listing
An application will be made for the quotation of New Shares on the ASX within 7 days from the date of this Prospectus.

Jurisdiction
Each Offer of New Shares under this Prospectus does not constitute an offer or invitation to subscribe for New Shares to any person to whom, or in any place in which, it is unlawful to make such an Offer. The distribution of this Prospectus in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Financial Information
The pro forma financial information contained in this Prospectus is for information purposes only and is not a forecast of operating results expected for future periods.

Representations
No one is authorised to give any information or to make any representation in connection with the offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or its directors.

Risks of investing
The Offers do not take into account the investment objectives, financial situation or particular needs of individual investors. You should read this Prospectus in its entirety before deciding to apply for New Shares, and particularly consider the risk factors that may be relevant to an investment in New Shares. Some risk factors that should be considered by prospective investors are set out in Section 5 ("Risks"). Prospective investors should carefully consider these factors and issues in light of their personal circumstances (including financial and taxation issues).

If you have any questions about this prospectus, or the desirability of, or the procedure for, investing in Ainsworth Game Technology Limited, please consult your stockbroker, accountant or other professional adviser before deciding whether to invest in New Shares.

Currency
All currency in this Prospectus is denominated in Australian dollars unless otherwise stated.

Glossary
Certain capitalised words and abbreviations have defined meanings that appear in Section 7 ("Glossary").

Electronic Prospectus
This Prospectus may be viewed online at www.ainsworth.com.au. Each Offer is only available to be accepted in accordance with the terms of this Prospectus by persons within Australia and New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

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Summary of Important Dates

Ordinary Shares and Convertible Notes quoted ex Rights and Rights trading commences	23 November 2007
Record Date to determine Entitlements to New Shares	29 November 2007
Expected date of dispatch of Prospectus and Entitlement and Acceptance Form(s)	30 November 2007
Last day of Rights trading	7 December 2007
First day of trading of New Shares on deferred settlement basis on the ASX	10 December 2007
Last day for acceptance and payment in full (Closing Date)	14 December 2007
Expected allotment and issue of New Shares	21 December 2007
First day of trading of New Shares on a normal basis	24 December 2007

These dates are subject to change and are indicative only.

Ainsworth reserves the right to amend this indicative timetable.

In particular, the Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to extend the Closing Date or to withdraw an Offer without prior notice.

Any extension of the Closing Date will have a consequential effect on the date for the issue of New Shares.

Letter from the Chairman

21 November 2007

Dear Shareholders and Noteholders

On behalf of the Board of Ainsworth Game Technology, I am pleased to invite you to participate:

(a) as a Shareholder, in the fully underwritten Rights Issue to Shareholders of 2 New Shares for every 5 Ordinary Shares held in the Company on the Record Date (**Shareholder Rights Issue**); and

(b) as a Noteholder, in the fully underwritten Rights Issue to Noteholders of 2 New Shares for every 5 Convertible Notes held in the Company on the Record Date (**Noteholder Rights Issue**),

to raise approximately $27.0 million (after costs). The Issue Price of each New Share is $0.32 under each Issue.

I, including certain entities controlled by me, currently hold approximately 50.97% of the Ordinary Shares and 52.0% of the Convertible Notes of the Company. I have agreed to take up my full Entitlement to the New Shares under the Shareholder Rights Issue and underwrite any shortfall under the Shareholder Rights Issue. Details of my commitment are set out in detail in Section 2.10.

The Noteholder Rights Issue is fully underwritten by entities controlled by members of my family.

The Entitlements are renounceable, so if you do not wish to take up your Entitlements under one or both of the Issues you may be able to sell them on the ASX until the close of Rights trading on 7 December 2007 rather than allow them to lapse.

If you take up your full Entitlement under an Issue, you may apply for Additional Shares under that Issue. Additional Shares will only be available to the extent of any Shortfall under an Issue.

Any Shortfall under an Issue will only be taken up by the Underwriter of that Issue after the allocation of Additional Shares applied for under that Issue.

The Company intends to make an application to the ASX for official quotation of the New Shares.

As recently announced in the Company's annual report for the financial year ended 30 June 2007, I have provided additional loan funds to the Company and further confirmed my financial support through an undertaking by an entity controlled by me to provide additional funding, should it be required to further assist the Company's on-going funding requirements.

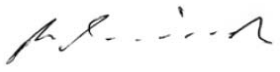
The cash proceeds of the Issues will be used to fund the Company's working capital and provide funds for further business growth, particularly our continued expansion into international markets. No monies subscribed by shareholders, other than myself, will be used by AGI to repay any debt due or interest obligations owing to me or any entity controlled by me. Full details of the reduction of monies owing to an entity controlled by me arising out of the rights issue are set out in Section 2.10.of this Prospectus..

During the last 12 months, the Company has continued to invest in research and development of new products, progressed plans for licensing in international markets and established distribution networks particularly within key North American markets.

This Prospectus outlines the details of the Offers, I urge you to read it carefully for further details of this investment. If you have any questions regarding the Offers, you should consult a person able to give financial product advice, a stockbroker, accountant or other professional adviser.

On behalf of the directors, I look forward to your participation in the Offers.

Yours sincerely



Leonard H Ainsworth
Executive Chairman

1. Action required by Shareholders and Noteholders

The Offers do not apply to Shareholders or Noteholders with a registered address outside Australia or New Zealand as at 7.00 pm (Sydney time) on 29 November 2007 (the Record Date). Such Shareholders or Noteholders should refer to section 6.6 of this Prospectus.

1.1 What you may do

The number of New Shares to which you are entitled (your Entitlement):

(a) if you are a Shareholder, is shown on the accompanying White Entitlement and Acceptance Form; and

(b) if you are a Noteholder, is shown on the accompanying Blue Entitlement and Acceptance Form.

You may:

- take up all of your Entitlement to New Shares under an Issue;
- take up all of your Entitlement to New Shares under an Issue and apply for Additional Shares under that Issue that may become available as a result of other Shareholders or Noteholders not applying for their full Entitlement;
- sell all of your Entitlement under an Issue;
- take up part of your Entitlement under an Issue and sell the balance on the ASX;
- take up part of your Entitlement under an Issue and allow the balance to lapse;
- transfer your Entitlement under an Issue to another person other than on the ASX; or
- not take up any of your Entitlement under an Issue and allow it to lapse.

1.2 If you wish to take up all of your Entitlement under an Issue

If you wish to take up your Entitlement under an Issue in full, complete the relevant Entitlement and Acceptance Form(s) which accompanies this Prospectus in accordance with the instructions set out on the form(s). Forward your completed form(s) together with your cheque or bank draft for the amount shown on the form(s) to reach the Company's share registry no later than 5.00 pm (Sydney time) on 14 December 2007. An accompanying reply paid envelope is provided for your convenience. Cheques or bank drafts must be in Australian currency and should be made payable to "Ainsworth Game Technology Limited" and crossed "Not Negotiable".

The addresses of the Share Registry are:

Postal address
Ainsworth Game Technology Limited
c/- Computershare Investor Services Pty Limited
GPO Box 253
Sydney NSW 2001

Address for hand deliveries
Ainsworth Game Technology Limited
c/- Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

1.3 If you wish to apply for Additional Shares under an Issue

If you have elected to take up your Entitlement under an Issue in full, you may apply for Additional Shares by completing the appropriate section on your Entitlement and Acceptance Forms. Forward your completed form(s) together with your cheque or bank draft (in Australian currency) for the amount calculated in accordance with the instructions on the form(s) to reach the Company's share registry no later than 5.00pm (Sydney time) on 14 December 2007.

1.4 If you wish to sell all of your Entitlement under an Issue

If you wish to sell all of your Entitlement under an Issue, complete the section on the back of the relevant Entitlement and Acceptance Form(s) which accompanies this Prospectus entitled 'Instructions to Your Stockbroker' and lodge the form(s) with your stockbroker. Trading of Rights will commence on the ASX on 23 November 2007. Shareholders or Noteholders wishing to sell their Entitlements must do so by close of trading on the ASX on 7 December 2007, when Rights trading ceases.

1.5 If you wish to take up part of your Entitlement under an Issue and sell the balance

If you wish to take up part of your Entitlement under an Issue and sell the balance, complete the relevant Entitlement and Acceptance Form(s) which accompanies this Prospectus for that part of your Entitlement under that Issue that you wish to accept, and also complete the section on the back of that Entitlement and Acceptance Form(s) entitled 'Instructions to Your Stockbroker' for the balance of the Entitlement under that Issue that you wish to sell on the ASX. The completed form(s) should be lodged with your stockbroker together with your cheque or bank draft (in Australian currency) for the amount due in respect of New Shares you intend to take up (being the number of New Shares you wish to accept multiplied by $0.32). Cheques or bank drafts must be in Australian currency and should be made payable to "Ainsworth Game Technology Limited" and crossed 'Not Negotiable'.

Trading of Rights will commence on the ASX on 23 November 2007. Shareholders or Noteholders wishing to sell part of their Entitlement under an Issue which they do not intend to take up must do so by close of trading on the ASX on 7 December 2007 when Rights trading ceases.

1.6 If you wish to take up part of your Entitlement under an Issue and allow the balance to lapse

If you wish to accept part of your Entitlement under an Issue and allow the balance to lapse, complete the relevant Entitlement and Acceptance Form(s) which accompanies this Prospectus in respect of the number of New Shares you wish to take up in accordance with the instructions set out on the form(s). Forward your completed form(s) together with your cheque or bank draft (in Australian currency) for the amount due in respect of New Shares you intend to take up (being the number of New Shares you wish to accept multiplied by $0.32) to reach the Company's share registry no later than 5.00 pm (Sydney time) on 14 December 2007. An accompanying reply paid envelope is provided for your convenience. Cheques or bank drafts must be in Australian currency and should be made payable to "Ainsworth Game Technology Limited" and crossed 'Not Negotiable'. Your Entitlement under an Issue may have value if sold. Shareholders and Noteholders should consider the market value of the Rights before allowing them to lapse.

1.7 If you wish to transfer your Entitlement under an Issue to another person other than on the ASX

If you wish to transfer all or part of your Entitlement under an Issue to another person other than on the ASX, forward a completed standard renunciation form(s) (obtainable from your stockbroker or from the Company's Share Registry) together with relevant Entitlement and Acceptance Form which accompanies this Prospectus and the applicable transferee's cheque or bank draft (in Australian currency) for the acceptance money to reach the Company's Share Registry no later than 5.00 pm (Sydney time) on 14 December 2007. An accompanying reply paid envelope is provided for your convenience. Cheques or bank drafts must be in Australian currency and should be made payable to "Ainsworth Game Technology Limited" and crossed "Not Negotiable".

1.8 Entitlements under an Issue not taken up

If you do nothing, Rights under each Issue not taken up will lapse and the New Shares will be taken up by those Shareholders or Noteholders that apply for Additional Shares or the Underwriters. Shareholders and Noteholders should consider the market value of the Rights before allowing them to lapse.

1.9 Payment

Acceptances of Entitlements and Applications for Additional Shares must be accompanied by payment in full of $0.32 per New Share.

Payment will only be accepted in Australian currency and by way of cheque or bank draft.

Cheques or bank drafts should be made payable to "Ainsworth Game Technology Limited" and crossed 'Not Negotiable'. Please do not forward cash. Receipts for payment will not be provided.

1.10 Enquiries

If you have any questions regarding the Offers, please contact the Share Registry on telephone number 1300 135 416 (within Australia) or 61 3 9415 4261 (outside Australia), or contact your stock broker or professional advisor.

2. Details of the Rights Issues

2.1 The Rights Issues

The Company is making:

(a) to Shareholders, an offer of 2 New Shares for every 5 Ordinary Shares who are registered as at 7.00 p.m. (Sydney Time) on 29 November 2007 (the Record Date), except those Shareholders who have a registered address in a country other than Australia or New Zealand (**Shareholder Rights Issue**); and

(b) another to Noteholders who are registered as at 7.00 p.m. (Sydney Time) on the Record Date, except those Noteholders who have a registered address in a country other than Australia or New Zealand (**Noteholder Rights Issue**).

The Issues Price for each New Share offered under each Issue is $0.32 per New Share.

Fractional Entitlements to New Shares will be rounded up to the nearest whole number.

The total number of New Shares to be issued pursuant to the Rights Issues will be approximately 85,330,386. The proceeds (after costs) of the Rights Issues will be approximately $27.0 million. The Shareholder Rights Issue is fully underwritten by Mr L H Ainsworth and the Noteholder Rights Issue is fully underwritten by entities controlled by members of Mr L H Ainsworth's family. The commitments of Mr L H Ainsworth and the entities controlled by members of his family are described in more detail in Section 2.10.

The number of New Shares to which you are entitled is shown on the accompanying White Entitlement and Acceptance Form if you are a Shareholder and Blue Entitlement and Acceptance Form if you are a Noteholder.

Each Issue will be open for receipt of acceptances until 5.00 pm (Sydney time) on 14 December 2007 (Closing Date). The Closing Date may be varied without notice, but only in accordance with the ASX Listing Rules. New Shares must be paid for in full on acceptance.

2.2 Application for Additional Shares

Shareholders or Noteholders who have taken up their Entitlement under an Issue in full will be able to apply for Additional Shares under that Issue by completing the appropriate section on the relevant Entitlement and Acceptance Form.

An Application for Additional Shares must be accompanied by payment in full of $0.32 per Additional Share.

As the number of Additional Shares that will be available will depend on the number of Rights that are not exercised by other Shareholders or Noteholders or by other persons exercising purchased Rights, Shareholders and Noteholders are not assured of receiving any Additional Shares.

If applications for Additional Shares under an Issue exceed the Additional Shares available under that Issue (the "**Oversubscribed Issue Shares**"), the Additional Shares under that Issue will be allocated on a pro rata basis to all Applicants who have applied and are eligible for Additional Shares under that Issue. In addition, if applications for Additional Shares under one Issue ("**First Issue**") do not exceed the Additional Shares available under the First Issue, then the Oversubscribed Issue Shares under the other Issue will be allocated to the First Issue and any available Additional Shares under the First Issue will be allocated on a pro rata basis to those additional applications. To the extent that an Application for Additional Shares is not

successful, Application Monies will be returned as soon as possible to the Application, without interest.

Fractional Entitlements in respect of any allocation of Additional Shares will be rounded up to the nearest whole number.

2.3 Purpose of the Rights Issues

The Rights Issues will raise approximately $27.0 million after costs. This will allow loans advanced to the Company by an entity controlled by Mr L H Ainsworth (as described in Section 4.1) to be reduced by up to $21.3 million, depending on underwriting shortfalls to be taken up under the Shareholder Rights Issue. Details of Mr L H Ainsworth's commitments to the Shareholder Rights Issue are set out in Section 2.10. The remaining $5.7 million will provide working capital for the Company's operations and fund further business growth, but the repayment of debt to the entity controlled by Mr L H Ainsworth will be limited to $21.3 million.

2.4 Rights trading and ASX quotation of Rights

The Rights to New Shares are renounceable, which enables Shareholders and Noteholders who do not wish to take up some or all of their New Shares to sell their respective Rights and also to purchase additional Rights if they wish.

Trading of Rights will commence on the ASX on 23 November 2007 and will cease at the close of trading on 7 December 2007. Rights to which you are entitled may be sold on the ASX between these dates should you choose not to accept your full Entitlement.

2.5 Application Monies held on trust

Application Monies for the New Shares under each Issue will be held in a trust account until allotment of the New Shares under that Issue. Any interest earned on Application Monies will be retained by the Company. If an Issue does not proceed, all Application Monies in relation to that Issue will be returned in full as soon as possible to the Applicants, without interest.

2.6 ASX quotation of New Shares

Application will be made to the ASX within 7 days of the date of this Prospectus for the quotation of the New Shares on the ASX.

If permission is not granted by the ASX for the official quotation of the New Shares on the ASX within 3 months after the date of this Prospectus, the Company will repay, without interest, all Application Monies received pursuant to this Prospectus as soon as practicable.

2.7 Allotment and dispatch of Shareholding statements

No allotment of New Shares will be made under an Issue until proceeds of that Issue have been received and permission is granted for the quotation of those New Shares on the ASX. It is expected that the allotment and issue of New Shares will take place on 21 December 2007. Shareholder statements for New Shares will be dispatched upon completion of allotment.

2.9 Ranking of New Shares

New Shares will, from allotment, rank equally with existing fully paid Ordinary Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 6.4 of this Prospectus.

2.10 Underwriting and commitments of major Shareholders

Commitment to the Issue by Mr L H Ainsworth

The Company's largest Shareholder, Mr L H Ainsworth and, an entity controlled by him (the "**Len Ainsworth Holders**") currently hold a total of 50.97% of the Ordinary Shares on issue and 52.0% of the Convertible Notes on issue.

Mr L H Ainsworth, has committed up to $23.8 million towards the Shareholder Rights Issue. This commitment will be satisfied by Mr L H Ainsworth:

a) taking up his full entitlement ($12.6 million) under the Shareholder Rights Issue and satisfying the subscription monies by providing value to the Company way of a promissory note so that the Company repays ($12.6 million) of a debt due to AWI; and

b) underwriting the Shareholder Rights Issue for no fee. This commitment has a maximum value of $11.2 million (after taking into account $1.0 million which has been agreed to be subscribed by Votraint No. 1019 Pty Limited). If Mr Ainsworth is called upon to meet his underwriting commitment, he will satisfy this commitment by first subscribing for the shortfall with $2.5 million in cash and then any additional commitment will be satisfied by Mr L H Ainsworth providing value by way of a promissory note to the Company so that the Company can repay up to a further $8.7 million of the debt due to AWI.

Any subscription under the rights issue to ordinary shareholders by shareholders other than Mr Ainsworth will go in relief of Mr Ainsworth's underwriting commitment but the cash proceeds received will not be used to repay any debt due or interest obligations owing to AWI by the Company, rather they will add to the cash proceeds available for working capital purposes. Only if Mr L H Ainsworth is required to meet a shortfall in the Shareholder Rights Issue in excess of $2.5 million will there be a further reduction of the debt to AWI.

Details of the loans by AWI to the Company are set out in Section 6.8.2.

Commitment to the Issue by other major Shareholders

Votraint No. 1019 Pty Limited, a company controlled by a member of Mr L H Ainworth's family holds approximately 7.78% of the Ordinary Shares on issue and 7.61% of the Convertible Notes on issue. Votraint No. 1019 Pty Limited has committed by way of a deed of undertaking to subscribe for at least $1.0 million of New Shares pursuant to its Entitlements under the Shareholder Rights Issue and the Noteholder Rights Issue.

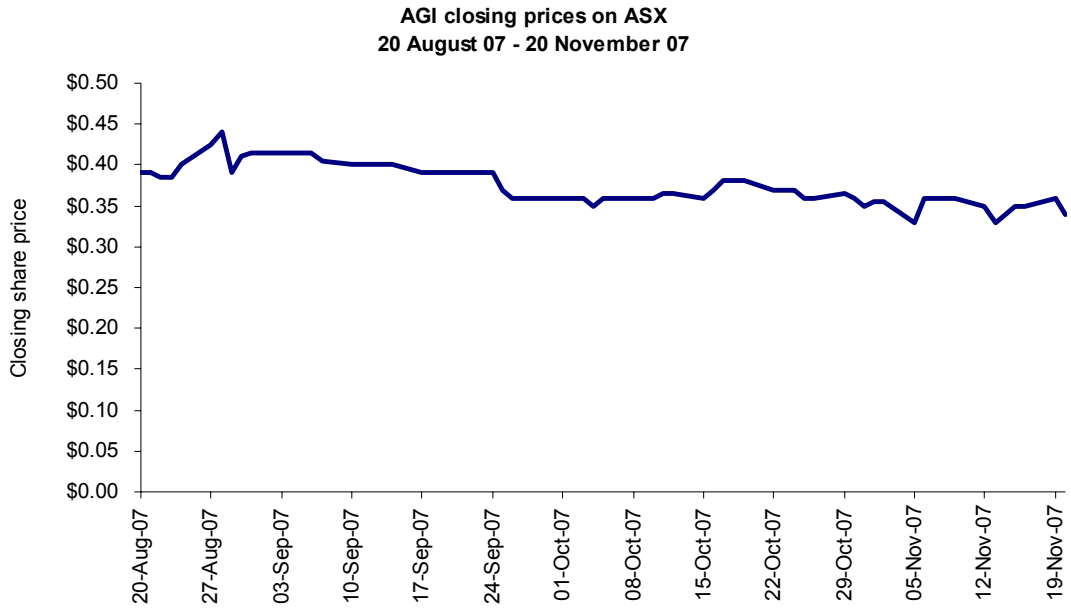
Commitment of other members of Mr LH Ainsworth's family

Entities controlled by members of Mr L H Ainsworth's family have agreed to underwrite the Noteholder Rights Issue as detailed in Section 6.7.1. This issue will raise approximately $2.5 million in cash.

2.11 Market prices of Ordinary Shares

The lowest and highest market closing sale prices of Ordinary Shares on the ASX during the three months immediately preceding 21 November 2007, and the respective dates of those sales, were $0.33 on 13 November 2007 and $0.44 on 28 August 2007.

The last closing sale price for Ordinary Shares on the ASX prior to the announcement of the Offers was $0.36 on 19 November 2007.



2.12 Overseas Shareholders and overseas Noteholders

The Prospectus including the Entitlement and Acceptance Form(s), will only be sent to Shareholders or Noteholders with registered addresses in Australia or New Zealand as at 7.00 pm (Sydney time) on 29 November 2007 (**the Record Date**). Entitlements of Shareholders or Noteholders with registered addresses outside Australia and New Zealand is set out in Section 6.6 of this Prospectus. The Prospectus will be sent to overseas Shareholders and Noteholders for information purposes only.

2.13 Taxation

Shareholders and Noteholders should be aware that there are taxation implications for subscribing for New Shares and for the selling of Rights acquired pursuant to this Prospectus. These taxation implications will vary between different Shareholders and Noteholders. Shareholders and Noteholders should consult their professional tax adviser in relation to the taxation implications.

Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of the taxation consequences connected with participation in either Issue.

2.14 Withdrawal of Prospectus

The Directors may at any time decide to withdraw this Prospectus, in which case the Company will repay, as soon as practicable and without interest, all Application Monies for New Shares received pursuant to this Prospectus.

3. Overview of the Company

3.1 Business and operational overview

Ainsworth Game Technology is involved in the design, development and supply of gaming machines and related equipment in Australia and internationally. The Ainsworth name is

synonymous with innovation in the gaming industry and helped make Australia a world leader in the development and production of gaming products.

The Company was founded in 1995 by Mr L H Ainsworth, who is currently the Company's Executive Chairman and largest Shareholder. Having already established the world's second largest casino style gaming machine company, Mr Ainsworth saw an opportunity to provide gaming products to global markets through the development and supply of the innovative Ambassador Gaming Machine. The Company was listed on the ASX on 17 December 2001.

For further information relating to the business and operations of Ainsworth Game Technology Limited, please refer to the 2007 Annual Report and the disclosures to the ASX referred to in Section 6.3.

Company's management and Board

For further information relating to the management and Board of Ainsworth Game Technology Limited, please refer to the 2007 Annual Report and the disclosures to the ASX referred to in Section 6.3.

Financial performance

For further information relating to the financial performance of Ainsworth Game Technology Limited, please refer to the 2007 Annual Report and the disclosures to the ASX referred to in Section 6.3.

Outlook

For further information relating to the outlook for Ainsworth Game Technology Limited, please refer to the Chairman's and Chief Executive Officer's addresses from the 2007 Annual General Meeting, copies of which are attached to this prospectus as Annexures A and B.

4. Purpose and effect of the Rights Issues

4.1 Use of proceeds of the Rights Issues

The proceeds raised from the Rights Issues will be used to:

- repay a portion of a loan owing to an entity controlled by Mr L H Ainsworth;
- finance business growth and fund increased working capital resulting from investment in research and development, pursuit of further international gaming licences and progress plans to establish the Company in key American markets; and
- meet the costs of the Offers.

	$'000 (approx.)
Repayment of loans from AWI, an entity controlled by Mr L H Ainsworth	21,300
Business growth and working capital	5,700
Estimated costs of the Offers	300
Total proceeds	27,300

The table above and the Pro Forma Statement of Financial Position in section 4.3 below assumes that no shares are taken up by minority shareholders and consequently reflect the maximum amount of loan reduction ($21.3 million) and the minimum amount of cash proceeds to be raised ($5.7 million). The amount of debt reduction may in fact be less and the amount of cash proceeds may in fact be more depending on the level of participation by minority shareholders.

Details of the AWI Loan are set out in Section 6.8.2 of this Prospectus. At the date of this Prospectus the amount owed under the AWI Loan was approximately $33.1 million (excluding accrued interest of $7.7 million). Details of how the AWI Loan are to be repaid are set out in Section 2.10.

The issue of New Shares is part of Ainsworth Game Technology's long-term program to increase its capital base to fund growth.

4.2 Issued Capital

The effect of the Rights Issues on the Company's issued capital will be as follows:

	Number of Fully Paid Ordinary Shares
Number of Ordinary Shares on issue at 21 November 2007 – the date the Prospectus was lodged with ASIC	193,611,247
Approximate number of New Shares to be issued pursuant to 2:5 Shareholder Rights Issue	77,444,499
Approximate number of New Shares to be issued pursuant to 2:5 Noteholder Rights Issue	7,885,887
Approximate number of Ordinary Shares on issue after the Rights Issues	278,941,633

The Company has issued certain options over Ordinary Shares the details of which are set out in the 2007 Annual Report.

4.3 Pro Forma Statement of Financial Position

A pro forma consolidated statement of financial position for Ainsworth Game Technology is provided on the following pages showing the net effect of the Rights Issues as if they had occurred on 30 June 2007. The pro forma consolidated statement of financial position is based on Ainsworth Game Technology's audited financial statements for the year ended 30 June 2007 which comply with the recognition and measurement aspects of all accounting standards and other mandatory professional reporting requirements in Australia. The pro forma consolidated statement of financial position is presented in an abbreviated form insofar as it does not comply with all the disclosures required by Australian accounting standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro-forma Consolidated Statement of Financial Position

As at 30 June 2007	Audited ($000)	Adjustments ($000)	Pro forma ($000)
Cash and cash equivalents	1,157	5,700	6,857
Trade and other receivables	21,960		21,960
Inventories	28,970		28,970
Income tax receivable	15		15
Total current assets	52,102	5,700	57,802
Trade and other receivables	4,995		4,995
Investments in equity accounted investees	2,532		2,532
Property, plant & equipment	18,342		18,342
Intangible assets	9,185		9,185
Total non-current assets	35,054	-	35,054
TOTAL ASSETS	87,156	5,700	92,856
Trade and other payables	8,586		8,586
Loans and borrowings	688		688
Employee benefits	1,246		1,246
Provisions	117		117
Total current liabilities	10,637	-	10,637
Loans and borrowings	61,132	(21,300)	39,832
Employee benefits	465		465
Total non-current liabilities	61,597	(21,300)	40,297
TOTAL LIABILITIES	72,234	(21,300)	50,734
NET ASSETS	14,922	27,000	41,922
Issued capital	94,517	27,000	121,571
Reserves	5,086		5,086
Accumulated losses	(84,681)		(84,681)
TOTAL EQUITY	14,922	27,000	41,922

The principal adjustments used to derive the pro forma consolidated statement of financial position are:

(a) Proceeds of the Rights Issues

The proceeds of the Rights Issues of approximately $27.3 million will be represented by and will be recorded as equity in the statement of financial position. The pro forma statement of financial position assumes that:

- $21.3 million will be used to reduce interest bearing liabilities owing to an entity controlled by Mr L H Ainsworth; and
- $5.7 million will increase cash assets and will be used to fund working capital and business growth.

(b) Costs of the Rights Issues

Costs of the Rights Issues of approximately $0.3 million (including management and underwriting fees) will be treated as a reduction of the equity raised from the Rights Issues.

(c) Subsequent Trading Activities

As the pro forma statement of financial position has been prepared as at 30 June 2007, adjustments have not been made for any movements subsequent to 30 June 2007.

5. Risks

There are a number of factors, both specific to Ainsworth Game Technology and of a general nature, which may affect the future operating and financial performance of the Company and the value of New Shares. Some may be mitigated by appropriate action by the Company; however, many are outside of the Company's control. This section is a summary of some of these risk factors and should not be regarded as exhaustive.

Investors should carefully consider these risk factors in conjunction with the other information contained in this Prospectus, the 2007 Annual Report and the disclosures to the ASX referred to in Section 6.3 before deciding whether to invest in the Company. They should also consider their personal circumstances, including financial and taxation circumstances, and, if they consider it appropriate, seek appropriate professional advice before deciding whether to invest.

All of the Company's revenue and profits are derived from the gaming industry. The Company's continued growth and its successful financial performance is dependent upon many factors beyond its control including:

- the regulatory environment for gaming in the jurisdictions in which it operates;
- risks associated with the jurisdictions in which the Company operates;
- the pace of development, expansion and renovation of clubs, casinos, hotels and other gaming premises; and
- the continued popularity of gaming as a leisure activity.

The continued expansion of the gaming market is dependent on a variety of political, social, legal and other factors beyond the Company's control. As a result of such factors, the Company does not provide any assurance that the gaming market will continue to grow or provide opportunities for profitable business.

Competition

The markets for Gaming Machines and associated products are highly competitive and are difficult markets in which to compete. There are a number of established market leaders and other participants competing directly with the Company that are well financed and well known. Existing or new competitors could introduce new products that are attractive to customers, new competitors may emerge in the Gaming Machine market and existing participants may seek to increase market share, all of which could impact on sales volumes and profits.

The Company is smaller and has less substantial financial resources than many of its competitors. While the Company believes it has significant strategic advantages through the globally well known Ainsworth name, and through being an innovative competitor, the Company is exposed to the possibility of larger competitors using their financial resources to pursue strategies that seek to undermine the profitability of the Company's business.

Failure to obtain and retain Licences and Approvals

The manufacture and distribution of Gaming Machines and associated products are subject to extensive local and foreign laws, regulatory controls and taxes and the governments of the various gaming jurisdictions amend these laws and regulations from time to time. Many of these jurisdictions require Licences, registrations, findings of suitability, permits, documentation and qualification and other forms of approval for manufacturers, distributors and operators of Gaming Machines, and associated products and for their directors, executives and major shareholders.

The Company's growth strategy is dependent on growth in international jurisdictions. If the Company fails to seek or does not receive a necessary Licence, registration, approval or finding of suitability, it may be prohibited from selling Gaming Machines for use in the jurisdiction or may be required to sell them through other licensed entities at reduced profit. Obtaining Licences and approvals can be time consuming and costly.

The Company is currently in the process of seeking to obtain such Licences in a number of the jurisdictions in which it is targeting growth, particularly in the United States. The failure to obtain such Licences may have a significant negative impact on the Company's objective to achieve its growth targets.

The gaming authorities in some jurisdictions may investigate any individual who has a material relationship with the Company or any significant shareholder to determine whether the individual or shareholder is acceptable to those gaming authorities.

The Company's Gaming Machines must be approved in many jurisdictions in which it is sold and there can be no assurance that a particular Gaming Machine will be approved in any jurisdiction.

Licences, registrations, approvals, permits or findings of suitability may be revoked, suspended or conditioned. The revocation or denial of a Licence in a particular jurisdiction could adversely affect the Company's ability to obtain or maintain Licences in other jurisdictions.

The Queensland Office of Gaming Regulation ("QOGR") has recently requested information in relation to details of the components making up the loss by the Company for the year ended 30 June 2007. If the QOGR were to make adverse findings on the Company's conduct in relation to this or any matter, a range of sanctions could be imposed on the Company and certain sanctions could have an adverse impact on the objectives and financial performance of the Company in future financial years in Queensland and other jurisdictions. The Company is co-operating with the QOGR in relation to these matters.

There can be no assurance that the Company will be able to obtain all necessary Licences, registrations, permits, approvals or findings of suitability in a timely manner or at all. Similarly there can be no assurance that current Licences, registrations, permits, approvals or findings of suitability will not be revoked, suspended or conditioned.

There may be delays in obtaining regulatory approvals for new Gaming Machines, including new designs, new technological developments and novel gaming concepts. Significant delays in obtaining the appropriate approvals can have a material adverse effect on the Company's businesses.

Changes to government regulation

The gaming industry in many jurisdictions, including Australia, is becoming subject to regulation dealing with responsible gaming, being the protection of individuals whose gambling habits cause problems to themselves or others. Many Australian jurisdictions have imposed freezes or caps on machine numbers in venues. There can be no assurance that the

caps will not be further reduced or additional jurisdictions will not adopt similar caps or freezes.

Changes to government regulation, reductions in the total number of Gaming Machines permitted in a particular market, material increases in taxes and fees on gaming operators and government initiatives to address problem gambling may have a material impact on the profits earned by gaming operators, the configuration of Gaming Machines, the demand for Gaming Machines and the profitability of Ainsworth Game Technology.

Failure to implement strategy and manage growth

The Company has developed Gaming Machine operations from start up in 1999. The Company's business plan is based upon a strategy of rapid growth, both in Australia and in international markets. Successful execution of this business plan is dependent upon the implementation of a range of initiatives to establish the Company's presence and to develop its brand image. These include strengthening its sales and distribution network both locally and internationally and successfully expanding manufacturing operations. There are significant execution risks inherent in these initiatives and no assurance can be given that the Company will be successful in their implementation.

Rapid growth in sales can be expected to impose ongoing needs to access capital and financial resources to support that growth. To achieve its objectives the Company will be required to continuously adopt and implement operational and financial procedures and controls as the scale of the Company's businesses increases. No assurance can be given of the Company's ability to manage future growth.

The Company may look to enhance its market position through the acquisition of businesses or holdings in other companies or through joint ventures in Australia and overseas. The success of any future acquisitions and the creation of any strategic joint ventures will depend upon a variety of factors. There can be no certainty that these activities would lead to an immediate or any profit contribution.

Lack of profit history and rapid growth

Ainsworth Game Technology was established in 1995 and listed on the ASX in 2001. Since commencing its activities in the area of Gaming Machine development in 1999 the Company had until the 2007 financial year undergone rapid growth with its revenue increasing substantially each financial year. The Company has yet to establish a satisfactory record of profitable operation, having reported a significant loss in the 2007 financial year as detailed in the Company's 2007 Annual Report. In the event that revenue falls short of expectations, or costs exceed expectations, the Company may remain in a loss-making position and incur losses for longer than might otherwise be expected.

Prior to the Company's initial public offering the Company had funded its growth from approximately $28.8 million advanced by its founder. The Company raised $50 million in its initial public offering in 2001, the proceeds of which were used to repay loans provided by its founder, acquire its current premises and to fund the development of its Gaming Machine products. The Company raised $13.5 million in 2003 from a rights issue of ordinary shares, used to repay loans provided by its founder and to fund ongoing working capital requirements. The Company raised approximately $25.6 million via a convertible note issue in November 2004 and $21.1 million via a renouncable rights issue in September 2005. The current Rights Issues involve the Company raising a further $27.0 million (after costs) to fund working capital to support further growth and to repay a portion of the loans advanced by its founder.

The pursuit of growth opportunities of the Company has placed demands on the working capital required by the Company. The Company's objective is to fund its working capital requirements from funds received through operating activities. To the extent that the

operating performance of the Company does not generate sufficient funds for this purpose the Company may be required to seek further equity funding to support its growth objectives.

Ability to Repay or Refinance Indebtedness

As noted in the 2007 Annual Report, the Company relies on the continued support of Mr L H Ainsworth, and the Directors are confident the Company, having secured funding by way of support from Mr L H Ainsworth and related entities, can pay its debts as an when they fall due.

The Company is currently in a negative operating cash flow position as it progresses its objectives for the 2008 financial year. If the Company does not achieve its sales growth expectations it may not be able to generate sufficient cash flow from operations or from additional financing which may have an adverse effect on its ability to make payments on and refinance its indebtedness.

The AWI Loan expires on 31 December 2008 or such other date agreed between the Company and AWI. If the AWI Loan is not extended, the Company may be required to seek other sources of debt or equity funding. However, there is no certainty that the Company will be able to source alternative funding. The amount currently outstanding under the AWI Loan is approximately $33.1 million (excluding accrued interest of $7.7 million). Further details of the AWI Loan and other support to the Company from Mr Ainsworth can be found in Section 6.8.2.

The Convertible Notes issued by the Company are repayable at maturity on 31 December 2009, unless converted into Ordinary Shares in accordance with the terms of issue of the Convertible Notes.

Technology and intellectual property risks

The market for the Company's products is characterised by rapidly changing technology, evolving industry standards and frequent product innovations and enhancements. Not only must the technology and products be continuously developed and changed, the Company must also protect the technology and intellectual property it develops through a combination of trade secrets, copyright, trademarks, eligible circuit layout rights, designs and patents. New products are subject to regulatory approval before release.

The Company continues to maintain a high level of spending on research and development to ensure Ainsworth Game Technology's products maintain their premium market position. New technological developments and new designs are an ongoing necessity for the Company.

There is a risk that the technology developed by the Company may fall behind that of competitors, intellectual property developed by the Company may be misappropriated or substantially similar technology or intellectual property to that developed by Ainsworth Game Technology may be legally developed, patented and used by independent third parties.

Despite the precautions adopted by the Company it may be possible for unauthorised parties to copy or reverse engineer certain features of its products that it believes are proprietary.

The failure or inability of Ainsworth Game Technology to develop new technology and to protect its intellectual property may reduce the Company's competitive position, revenues and profits. If a new product does not achieve significant market acceptance, the Company may not recover its development and promotion costs.

The Company's competitors and other third parties have been and may be granted patents and trademarks covering various features of Gaming Machines and associated products. If the Company's products were to use processes or other subject matter that are claimed under those patents or trademarks, those third parties may bring infringement actions against the

Company. The Company might then be forced to discontinue the use of those products or be required to obtain licences of that intellectual property. The Company might then be limited in its ability to market new products.

Reliance on key personnel

To facilitate the achievement of the Company's growth plans a number of new senior executive positions have been created and filled. The Company's success depends upon the performance of senior management and the Company's ability to attract, motivate and retain highly qualified executives and gaming programmers and developers. Competition for skilled employees with specialised training is intense. If the Company were to lose the services of a number of its key employees or executives its operations could be materially adversely effected.

The Company was founded by Mr L H Ainsworth in 1995, who is currently the Executive Chairman of the Company. Mr Ainsworth is well known as a pioneer of the gaming industry having founded Aristocrat Leisure Limited in 1954, now the second largest Gaming Machines manufacturer in the world and one of the 50 largest companies listed on the ASX.

The Company has been dependent on the experience of Mr Ainsworth, and should the Company lose access to that experience it may have a material adverse impact on the Company's performance.

Existence of a significant Shareholder, Noteholder and secured lender

Mr L H Ainsworth and an entity controlled by him, controls 50.97% of the issued Ordinary Shares and 52.0% of the Convertible Notes and has significant influence over the direction of the Company, including having the capacity to remove and appoint Directors of the Company at shareholder meetings.

Mr L H Ainsworth, through AWI, a company controlled by him, is also a secured lender to the Company. The Company's current drawing on the AWI Loan is approximately $33.1 million, of which $30.0 million has been secured over assets of the Company. Further details of the AWI Loan can be found in Section 6.8.2.

The interests of Mr L H Ainsworth in his capacity as a Shareholder, Noteholder and secured lender have the potential to conflict with those of Ainsworth Game Technology or the Company's other Shareholders or Noteholders.

Reliance on suppliers

As a general rule the Company manufactures Gaming Machines when it is confident that it has received a sales order. The Company's ability to satisfy its sales orders is dependent upon its supplier's ability to provide components for the fabrication of the ordered machines. If suppliers are not able to provide components as required by the Company, this may adversely impact on the Company's ability to achieve its sales expectation and may negatively impact upon the reputation of the Company's products.

Malfunctions, unintended operations or design errors

Malfunctions, unintended operations or errors in gaming systems, hardware, software documentation or installation procedures have the potential to create financially damaging consequences to the operators of these products and indirectly, to Ainsworth Game Technology. These faults could be the result of poor design, errors in manufacturing, failures in quality control or faulty installations.

Each Ainsworth Game Technology machine bears a prominently displayed disclaimer that "Malfunction voids all pays and plays". This disclaimer has been held to excuse the

Company from liability. However the Company has made payments of compensation without admission of liability in the interest of good customer relations.

In cases where product malfunction or error has occurred, Gaming Machine manufacturers have typically repaired or replaced the malfunctioning product or product component. Gaming operators typically have tight procedures to minimise or prevent mistaken jackpot claims, security failures and accounting errors. However there can be no assurance that the Company's Gaming Machines will not malfunction or result in errors which may have a material adverse impact on the Company's performance and profitability.

Foreign Operations

Ainsworth Game Technology is adopting a strategy to grow and develop its businesses in foreign markets. The Gaming Machine market in Australia is mature and relatively stable. On the other hand, the Company sees substantial opportunities in international markets.

The conduct of businesses outside Australia is subject to the risks customarily associated with such activities. These risks include fluctuations in foreign currency exchange rates and controls, potential expropriation or nationalisation of assets and other economic, tax, political and regulatory policies of local governments as well as the laws and policies of Australia affecting trade with and investment in those countries and repatriation of dividends and earnings.

The process of selling Gaming Machines to jurisdictions outside Australia is more complex and faces greater risk than the process of selling Gaming Machines in Australia. Import and export requirements must be complied with. Frequently the Company is dependent on the conduct of distributors with whom it has distribution agreements. These considerations mean there are greater risks associated with the realisation and timing of Gaming Machine sales in many international jurisdictions.

The Company faces considerable country risk in many of the international markets in which it is seeking to sell Gaming Machines. There can be no assurance that the risks associated with those countries will not adversely affect the activities of the Company.

The Company also considers that markets in the Americas (including central and south America) currently offer significant opportunities for sales growth. The business environment in which the Company operates may preclude the Company from entering into long-term supply contracts with its customers. Although the prospects in the Americas are very promising, there can be no certainty that the Company's forecast sales levels will be achieved.

Similar considerations apply in varying degrees in various other jurisdictions to which the Company may sell.

Concentration of revenues

A substantial portion of the Company's revenues are generated from sales in Central and South America where established operators distribute the Company's Gaming Machines into these markets.

Although the Company has further diversified its customer base, any significant reduction in orders from any individual customer or distributor within Central and South America could have a negative material effect on the Company's performance.

Currency fluctuations

International sales are predominantly denominated in United States dollars, and any appreciation in the Australian dollar against the United States dollar will adversely affect the

Australian Dollar equivalent amount of sales revenue received. On the other hand, a proportion of the cost of Gaming Machines comprises component parts that are primarily purchased in United States dollars. Accordingly, the Company is afforded the benefits from this partial natural hedges.

Whilst the Company regularly reviews and monitors its currency risks, the ability to hedge any associated currency risk is dependant on facilities being available. Currently no hedging of these currency risks is in place and as such any adverse currency movements could affect the Company's profitability due to fluctuations in exchange rates.

Credit risks

A number of international customers have recently placed large orders which require extended credit terms and payment by monthly instalments. The international market for Gaming Machines is characterised by the availability of extended credit terms provided by Gaming Machine manufacturers. In some cases the debts of international customers are not secured, nor is insurance available. The Company faces a risk that some customers may be unable to meet their obligations as and when they become due.

The Company has in place controls so that due diligence is performed on new markets and new customers, including probity and credit checks, so as to satisfy it that the market and credit risks are minimised.

Progress payments are monitored and the terms of sale attempt to minimise the associated credit risk. However, it is more difficult for the Company to monitor credit extended to international customers as compared to customers located in Australia. In addition, it may be difficult to enforce credit terms against delinquent international customers because of difficulties of enforcement in foreign jurisdictions.

Participation sales of Gaming Machines are common in international markets. A participation sale is where a manufacturer or distributor of Gaming Machines participates in the returns generated from a Gaming Machine rather than making an outright sale of the machine. Participation sales place a greater burden on the working capital of the Company as compared to an outright sale. For an entity with limited financial resources such as the Company, participation sales have the possibility of negatively impacting on the funding position of the Company if not strictly monitored and controlled. There can be no certainty that the Company's profitability will not be adversely affected as a result of participation sales.

Changes to gaming taxes, levies and fees

In addition to significant government regulation, gaming operators are typically subject to significant gaming taxes, levies and fees in addition to corporate and state taxes. Gaming taxes, levies and fees may increase or new taxes, levies or fees may be introduced at any time, which may materially and adversely affect Ainsworth Game Technology's profitability, directly or indirectly.

Litigation

The Company is, from time to time, a party to litigation which may affect its business performance.

6. Additional Information

6.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus with modified disclosure requirements if:

- the securities offered by the prospectus are in a class of securities that have been quoted securities at all times in the 12 months before the date of the prospectus; and
- the Company is not subject to certain exemptions or declarations prescribed by the Corporations Act.

Securities are quoted securities if:

- the Company is included in the official list of the ASX; and
- the ASX Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Rights Issues and the information necessary to make an informed assessment of:

- the effect of the Rights Issues on the Company; and
- the rights and liabilities attaching to the New Shares offered by this Prospectus.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders and Noteholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the New Shares.

6.2 Regular reporting and disclosure obligations

Ainsworth Game Technology is a disclosing entity for the purpose of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Ainsworth Game Technology to notify the ASX of information about specified events and matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX. In particular, Ainsworth Game Technology has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify the ASX immediately once it is or becomes aware of any information concerning Ainsworth Game Technology which a reasonable person would expect to have a material effect on the price or value of Ordinary Shares or other securities issued by Ainsworth Game Technology. That information is available on the public file at the ASX.

Copies of documents lodged with ASIC in relation to Ainsworth Game Technology may be obtained from, or inspected at, an ASIC office.

6.3 Documents which will be supplied upon request

Ainsworth Game Technology will provide a copy of each of the documents listed below, free of charge, to any person who asks for same in the period commencing on the date of this Prospectus and ending on the Closing Date:

- the preliminary final report of Ainsworth Game Technology for the year ended 30 June 2007, being the most recent annual financial report of Ainsworth Game Technology lodged with ASIC before the date of the Prospectus; and

- all documents used to notify the ASX of information concerning Ainsworth Game Technology under the ASX Listing Rules relating to continuous disclosure after lodgement of Ainsworth Game Technology's 30 June 2007 annual financial report with ASIC and before lodgement of this Prospectus with ASIC which are as follows:

Date	ASX Announcement
18/09/2007	New Board Appointment
18/09/2007	Initial Director's Interest Notice
18/09/2007	Election of Annual Report format
24/09/2007	Retirement of Director
19/10/2007	Notice of Annual General Meeting/Proxy Form
19/10/2007	2007 Annual Report to shareholders
30/10/2007	Appendix 4C – quarterly
01/11/2007	Correction to Notice of AGM
20/11/2007	Rights Issue To Raise $27.3 million
20/11/2007	Chairman's and Chief Executive Officer's Addresses at AGM
20/11/2007	Results of AGM

6.4 Rights and liabilities attaching to Ordinary Shares

The rights and liabilities attaching to Ordinary Shares are prescribed by both the Corporations Act and Ainsworth Game Technology's Constitution. The following is a summary of the key provisions of the Constitution. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. A full copy of the Constitution is available free of charge on request from Ainsworth Game Technology at its registered office.

Precedence of the ASX Listing Rules

Despite anything in the Constitution, if there is any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules will prevail.

Probity and membership requirements

A person is not eligible to hold a relevant interest in any Ordinary Shares if a Gaming Authority makes a final determination that as a consequence of that person's shareholding in or association with the Company:

- any entity in the Group would contravene or continue to contravene a Gaming Law; or

- a Licence would be revoked, suspended, not granted or made subject to a condition or conditions that would have a material adverse effect on the operation of the relevant licensee.

The Company may require that a Shareholder deliver a statutory declaration setting out such information which in the reasonable opinion of the Directors is necessary for the Directors to determine the eligibility of that person to continue to hold Ordinary Shares.

Divestiture of Ordinary Shares

To protect the Licences necessary for the lawful operation of the Company's business, the Directors may in certain circumstances suspend a Shareholder's voting rights and order divestiture of Ordinary Shares if a final determination by a Gaming Authority so warrants. In particular, the Company acting through the Directors is empowered to:

- issue a suspension notice where, in the reasonable opinion of the Company based on information available to the Company, that Shareholder is likely to be or become ineligible to hold Ordinary Shares. The suspension notice has the effect of suspending all voting rights of that Shareholder's Ordinary Shares;

- issue a disposal notice to an ineligible Shareholder or a Shareholder who fails to provide a statutory declaration as required by the Company. A disposal notice requires the Shareholder to dispose of Ordinary Shares held by that Shareholder within 30 days or such longer period as is specified in the disposal notice; and

- sell or buy-back the Ordinary Shares of a Shareholder to whom a disposal notice has been given if the Shareholder fails to comply with the disposal notice. The proceeds of the sale or buy-back of the Ordinary Shares must be applied first in meeting all expenses associated with the sale or buy-back, then in the payment of all money payable by the shareholder or as directed by a Gaming Authority and the balance (if any) must be paid to the Shareholder who's Ordinary Shares have been sold or bought back.

Voting

Subject to any suspension of voting rights as set out above, at a general meeting every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each Share held. The number of votes to which a holder of partly paid Ordinary Shares is entitled on a poll is equivalent to the proportion that the amount paid on the Share is of the Issue Price of the Share (ignoring amounts paid in advance).

Dividends and reserves

Subject to any special terms and conditions of issue, the profits of the Company which the Board from time to time determines to distribute by way of dividend are divisible amongst the Shareholders in proportion to the amounts paid up on the Ordinary Shares held by them.

The Board is authorised to adopt and amend share-plans such as bonus-share plans, employee share plans, dividend re-investment plans and dividend selection plans.

Issue of further Ordinary Shares

The Board may (subject to the Constitution, the ASX Listing Rules and the Corporations Act) allot, grant options in respect of, or otherwise issue further Ordinary Shares on such terms and conditions as it sees fit.

Transfer of Ordinary Shares

A Shareholder may transfer Ordinary Shares by a proper transfer effected in accordance with the business rules of the Securities Clearing House and the ASX and as otherwise permitted by the Corporations Act. The Board may decline to register a transfer of shares if the transfer is not in registrable form or where the refusal to register the transfer is permitted under the

ASX Listing Rules. If the Board declines to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and reason for refusal.

General meetings and notices

Each Shareholder entitled to vote at a general meeting is entitled to receive notice of and to attend (except in certain circumstances where admission may be refused by the Company's Chairperson) and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

Winding up

Subject to any special or preferential rights attaching to any class or classes of Ordinary Shares, Shareholders will be entitled on a winding up to participate in any surplus assets of the Company in proportion to the Ordinary Shares held by them less any amounts which remain unpaid on their Ordinary Shares at the time of distribution.

Variation of rights

If the issued shares in the Company are divided into different classes, the rights attaching to a class of shares (unless the terms of issue otherwise provide) may be varied or abrogated only with:

- the written consent of at least 75% of the holders of the issued shares of that class; or
- the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

6.5 Information for New Zealand Shareholders or Noteholders

The Rights are offered in New Zealand pursuant to the Securities Act (Australian Issuers) Exemption Notice 2002 (New Zealand).

Prospective investors in New Zealand should note the following:

- Investors should satisfy themselves as to the taxation implications of investing in New Shares;
- An investment in the Company may carry with it currency exchange risk;
- The financial reporting standards applicable to the Company may differ from the financial reporting standards of New Zealand companies and the financial statements of the Company may not be compatible in all respects with the financial statements prepared in accordance with the Securities Act 1978 (New Zealand) and the Financial Reporting Act 1993 (New Zealand);
- The offer and allotment of New Shares will be governed by this Prospectus and will be made in accordance with the laws of the Commonwealth of Australia under which the Prospectus has been lodged;
- The Company may not be subject in all respects to New Zealand law; and
- The contract created in respect of the New Shares may not be enforceable in New Zealand courts.

6.6 Overseas Shareholders and Noteholders

This Prospectus and accompanying Entitlement and Acceptance Form(s) does not, and is not intended to, constitute an offer of New Shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or those form(s). The distribution of this Prospectus and the accompanying form(s) in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying form(s) should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders and Noteholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders and Noteholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Rights Issues is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued to Shareholders or Noteholders having registered addresses outside Australia and New Zealand. This Prospectus is sent to those Shareholders and Noteholders for information purposes only. These restrictions apply unless the Directors form the view (the Directors being under no obligation to do so that a relevant Shareholder or Noteholder may lawfully be offered New Shares without violating any applicable securities laws.

The Directors will offer the Rights which would otherwise have been offered to each of those Shareholders or Noteholders to a nominee appointed by the Company. If there is a viable market in the Rights and a premium over the expenses of the sale can be obtained, the nominee will sell the Rights. Any sale will be at prices and otherwise in a manner determined by the nominee in its sole discretion.

Neither the Company nor the nominee will be held liable for failure to sell the Rights or to sell the Rights at any particular price. The proceeds of the sale will be distributed to Shareholders and Noteholders for whose benefit the Rights are sold in proportion to their holdings (after deducting costs).

If there is no viable market for the Rights, the Entitlement will be allowed to lapse and the New Shares will revert to Shareholders or Noteholders that apply for Additional Shares or to the Underwriters.

6.7 Material Contracts

6.7.1 Underwriting Agreements

Ainsworth Game Technology entered into an Underwriting Agreement with Mr L H Ainsworth in relation to full underwriting of the Shareholder Rights Issue, and a separate Underwriting Agreement with Writeman Pty Limited (ACN 072 404 374) as trustee for PLA Investment Trust and Serioso Pty Limited (ACN 072 404 552) as trustee for GGHA Investment Trust in relation to the full underwriting of the Noteholder Rights Issue, on or about the date of this Prospectus. Each Underwriting Agreement is substantially on the same terms. The main terms of the Underwriting Agreements are summarised below.

Details of how Mr L H Ainsworth will satisfy his underwriting commitment are set out in Section 2.10.

The commitment of each of the Underwriters of the Noteholders Rights Issue is several as to half of the value of the Noteholder Rights Issue.

Representations and Warranties

Under each Underwriting Agreement, the Company represents and warrants to the Underwriters a number of customary and usual warranties generally given by an issuer of shares. These relate to matters such as the Company's compliance with all applicable laws and obligations that apply to this Prospectus, its conduct in relation to this Prospectus and the Offer and its solvency.

Fees, Expenses and Indemnities

The Company will not pay an underwriting commission to Mr L H Ainsworth as the underwriter of the Shareholder Rights Issue.

The Company will pay an underwriting commission of 3.00% of the Issue Price multiplied by the number of Underwritten New Shares under the Noteholder Rights Issue. This underwriting commission equates to approximately $75,704 divided between the Underwriters, as follows: $37,852 to Serioso Pty Limited as trustee for GGHA Investment Trust and $37,852 to Writeman Pty Limited as trustee for PLA Investment Trust.

The Company will pay certain expenses and any GST incurred by the Underwriters in respect of their fees.

The Company gives certain indemnities to the Underwriters and their related parties in relation to losses suffered by, or claims made against, the Underwriters or their related parties in connection with the relevant Offer, the Prospectus, any non-compliance with applicable laws or the ASX Listing Rules and any breach by the Company of its obligations under the relevant Underwriting Agreement.

Termination

The Underwriter/s of each Issue may, by notice to the Company at any time prior to the issue of all of the New Shares, terminate its obligations under the relevant Underwriting Agreement if one or more of the following events occur:

(a) (restriction on issue of New Shares): the Company being prevented from issuing the New Shares within the time required by the ASX Listing Rules, by the ASX, any statute, regulation or order of a court of competent jurisdiction or by any governmental or semi-governmental agency or authority;

(b) (deficiencies in Prospectus):

  (i) the Prospectus does not comply with the applicable provisions of sections 710 to 716 of the Corporations Act (subject to any modifications), the ASX Listing Rules (subject to any waivers) or any other applicable laws or regulations; or

  (ii) there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the applicable provisions of sections 710 to 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus becomes misleading or deceptive or likely to mislead or deceive; or

(c) (new circumstance or supplementary prospectus): a new circumstance as referred to in section 719(1) of the Corporations Act arises and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as a Underwriter may reasonably require;

(d) (stop order or repayment rights): ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act (except an interim stop order that is not discharged within the earlier of 2 Business Days after the day the interim stop order is given and the Closing Date) or gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or makes an application under section 1324B of the Corporations Act, or the Company repays any application monies or gives applicants rights to withdraw their applications under section 724(2) of the Corporations Act;

(e) (withdrawal of consent to Prospectus): any person (other than the Underwriters) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;

(f) (Prescribed Occurrence): a Prescribed Occurrence occurs in relation to the Company or its subsidiaries, other than as disclosed in the Prospectus or in accordance with the moratorium;

(g) (event of insolvency): an event of insolvency occurs in respect of the Company or its subsidiaries;

(h) (litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or its subsidiaries or a director of the Company or its subsidiaries is charged with an indictable offence;

(i) (Board and senior management composition): there is a change in the composition of the board of directors of the Company or a change in the senior management of the Company before completion of the Offer without the prior written consent of the Underwriters;

(j) (contravention of constitution or law): a contravention by the Company of any provision of its constitution, the Corporations Act or any other applicable legislation or any rules or any requirement of ASIC or the ASX;

(k) (adverse change): any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries;

(l) (authorisation): any authorisation required to be obtained by the Company which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriters or is breached in a material respect;

(m) (contracts): after the date of the Underwriting Agreement, any material contract to which the Company is a party (including those referred to in Sections 6.7.2, 6.8.2, 6.8.3 and 6.8.4 of the Prospectus) is, without the prior written consent of the Underwriters, breached by the Company; terminated (whether by breach or otherwise); altered or amended in any way; or found to be void or voidable;

(n) (disposal): the Company disposes or agrees to dispose of a significant part of its business or property or acquires major assets or enters into major expenditure commitments other than in accordance with the Prospectus or any due diligence performed prior to the issue;

(o) (force majeure event): a force majeure event occurs that delays in excess of 1 week an event set out in the timetable agreed between the Company and the Underwriters

in respect of certain events such as the lodgement of the Prospectus, application for quotation, trading of the New Shares and settlement of any shortfalls in the take-up of the New Shares;

(p) (default): default by the Company under the Underwriting Agreement or any representation or warranty given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;

(q) (misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriters in respect of any aspect of the Offer or the affairs of the Company or its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;

(r) (general suspension): there is a suspension or material limitation in trading in securities generally on the ASX, the New York Stock Exchange and/or the London Stock Exchange; or a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant authorities, or there is a material disruption in commercial banking or securities settlement or clearance services in those places;

(s) (change in law or policy): any of the following occurs which does or is likely to prohibit, restrict or regulate the Offer, capital issues or stock markets: the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia; the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulations or policy, other than any law, regulation or policy which has been announced before the date of the Underwriting Agreement;

(t) (outbreak of hostilities): there is an outbreak or major escalation of hostilities involving any one or more of Australia, New Zealand, the United States, or the United Kingdom, any member of the European Union, Indonesia, China or Japan or the declaration by any of these countries of a national emergency or war, or a major terrorist attack is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world or there is a substantial adverse change in the scale, nature or expected duration of the hostilities involving the Iraqi conflict ongoing at the date of the Underwriting Agreement; or

The events listed in paragraphs (b), (c), (f), (h), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s) and (t) above do not entitle an Underwriter to exercise its rights to terminate unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have or are likely to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

6.7.2 Pre-lodgement Agreements

Several of the Company's largest shareholders, being Mr L H Ainsworth, Creative Magic (A/Asia) Pty Ltd and Votraint No 1019 Pty Ltd, currently holding a total of 58.75% of the Ordinary Shares on issue and 59.61% of the Convertible Notes on issue, have committed in writing in separate deeds of undertaking to take up:

(a) in the case of Votraint No 1019 Pty Ltd, its Entitlements to the value of not less than $1.0 million; and

(b) in the case of Mr L H Ainsworth and Creative Magic (A/Asia) Pty Ltd, their full Entitlement under the Shareholder Rights Issue. Details of how this entitlement will be satisfied are set out in Section 2.10.

6.8 Interests of Directors

Other than as described below or elsewhere in this Prospectus, no Director and no firm in which a Director is a partner:

(a) has, or had at any time during the two years preceding the date of this Prospectus, an interest in the formation or promotion of the Company, the Offers or in any property acquired or proposed to be acquired by the Company in connection with the Company's formation or promotion or the Offers;

(b) has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce that person to become, or to qualify that person as, a Director or otherwise for services rendered by that person or firm in connection with the promotion or formation of the Company or the Offers; and

(c) has holdings in Ainsworth Game Technology.

6.8.1 Holdings in Ainsworth Game Technology

There are no shareholding requirements for Directors under the Constitution. At the date of this Prospectus, the numbers of securities in the Company which are held by or on behalf of each Director and their relevant interests are as follows:

Director	Ordinary Shares	Convertible Notes	Options over Ordinary Shares
Mr L H Ainsworth	**98,679,168**	**10,252,382**	**-**
Mr S L Wallis	**459,628**	**152,000**	**300,000**
Mr G Campbell	**62,500**	**-**	**-**

Each Director will be entitled to participate in the Offers to the extent that he holds Ordinary Shares or Convertible Notes at the Record Date or acquires Rights from other Shareholders or Noteholders. The Len Ainsworth Holders have committed to take up their full Entitlement under the Shareholder Rights Issue (see Sections 6.7.2 and 2.10). The Underwriters for the Noteholder Rights Issue are entitled to receive the fees, described in Section 6.7.1 for underwriting the Offers. Mr L H Ainsworth, as underwriter of the Shareholder Rights Issue, may receive expense reimbursement under the terms of the Underwriting Agreement entered into by him with the Company.

6.8.2 AWI Loan

A large amount of the working capital required by the Company has been funded by the AWI Loan. At the date of this Prospectus, the facility limit under the AWI Loan is $40 million and the amount owed is approximately $33.1 million (excluding $7.7 million in interest accrued under the AWI Loan).

Of the $40 million facility limit under the AWI Loan, drawings up to $30 million (and accrued interest on all amounts drawn down) are secured by a mortgage over the Company's property at 10 Holker Street Newington and a fixed and floating charge over the assets of the Company. Drawings of principal above $30 million under the facility are not secured.

Interest on drawings under the AWI Loan is only payable after the principal amount has been fully paid. As at the date of this Prospectus, the interest rate on drawings under this facility is for any interest period commencing on or after 29 July 2005 the lower of:

(a) the National Australia Bank Limited overdraft rate as at the first day of that interest period (or, if that day is not a business day, on the next business day) expressed as a percentage per annum; and

(b) 8% per annum.

An additional 2% per annum is payable on demand if the Company does not pay any amounts under this agreement, any drawdown notice, the mortgage or the fixed and floating charge referred to above ("AWI Transaction Documents") on the due date.

A number of events constitute an event of default under the AWI Loan, including:

(a) failure to pay on time any amounts payable by the Company under the AWI Transaction Documents;

(b) failure to satisfy on time any present or future monetary obligations of the Company or its subsidiaries in connection with money borrowed or raised, hiring arrangements, redeemable preference shares, letters of credit, financial market transactions, performance bonds or guarantee facilities or any guarantee or indemnity in connection with those obligations for amounts totalling more than $100,000;

(c) insolvency of the Company or any of its subsidiaries or if the Company or its subsidiaries cease to carry on its business;

(d) any changes in control of the Company or the group structure of the Company; and

(e) any other default or non-compliance of any obligations under the AWI Transaction Documents.

If an event of default occurs, AWI may declare that all of the amounts owing under the AWI Transaction Documents are payable, appoint a receiver and do anything else the law allows a mortgagee or chargee to do on default.

As at the date of this Prospectus there is no default under the AWI Loan by the Company.

In addition to the AWI Loan, AWI has declared by deed poll dated 20 February 2007 that it will make available up to an additional $15.0 million on the same terms as the AWI Loan. This covenant by AWI is enforceable up to and including 21 August 2008 and may be extended as agreed by AWI in writing prior to that date. AWI has also provided a $5 million trade facility to the Company.

The repayment of drawings under the AWI Loan following completion of the Rights Issues will not reduce the $40 million facility limit under the AWI Loan.

It is expected by the Board that with the recapitalisation of the Company as a result of the successful completion of the Rights Issues that Mr L H Ainsworth and AWI's funding of the Company will be reviewed. This review is expected to occur in the third quarter of the 2008 financial year. This review will take into account the cash flow requirements of the Company and its cash generation capacity.

6.8.3 Equipment Lease

Pursuant to a Lease of Chattels dated 30 October 2003 (the "Chattels Lease"), AWI agrees to lease to the Company plant and equipment (the "Chattels"). The Chattels Lease commenced on 1 October 2003 and will continue, subject to any Events of Default or Casualty Events (as those terms are defined in the Chattels Lease), until the earlier of:

(a) 30 September 2008; and

(b) the date the Chattels are sold to the Company in accordance with the exercise of the call option (discussed below).

The Company must pay to AWI rent for the Chattels of $62,404 (exclusive of GST) per annum by equal monthly instalments payable on the last day of each month and all GST payable in relation to the Chattels Lease. In addition to the payment of various costs incurred by AWI in relation to the Chattels Lease, the Company must pay or reimburse AWI on demand for all taxes, duties and fees which may be payable in connection with the Chattels Lease.

Pursuant to the Chattels Lease, AWI grants to the Company a call option over the Chattels, which may be exercised by the Company at any time during the term of the Chattels Lease by delivering to AWI a written notice exercising the option. If this option is not exercised, it will automatically lapse immediately after the term of the Chattels Lease. Service of the written exercise notice will create a contract between AWI and the Company, pursuant to which AWI agrees to sell, and the Company agrees to purchase, the Chattels for the lower of $891,488 (being the cost of the Chattels) and the continuing use replacement value of the Chattels as at the date the option is exercised as determined by an independent valuer appointed by the Company.

6.8.4 Lease of Premises at Labrador Queensland

Pursuant to a lease dated 4 October 2001 (the "QLD Lease"), AWI leases to the Company the premises located at Unit 1, 24-31 Ereton Drive Labrador Queensland.

The QLD Lease commenced on 1 October 2001 and is currently being held over on a monthly basis. The monthly tenancy may be terminated by either party on 28 days' notice.

The Company must pay to AWI rent of $72,000 (exclusive of GST) per annum by equal monthly instalments and all GST payable in relation to the QLD Lease. The Company must also pay outgoings, charges levied on premises, utility costs, cleaning costs and legal and other costs as required under the QLD Lease. AWI may vary the rent at its discretion from time to time on one months' notice.

AWI has agreed to offer the Company a first option to lease the premises, on the same terms and conditions as the QLD Lease, but subject to rent being reviewed to an amount agreed between the parties.

6.9 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which such person is a partner:

(a) has or had during the two years preceding the date of this Prospectus, an interest in the formation or promotion of the Company, the Offers or in any property acquired or proposed to be acquired by the Company in connection with the Company's formation or promotion or the Offers; and

(b) has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the promotion or formation of the Company or the Offers.

Addisons has acted as solicitors to the Company in relation to the Offers. In respect of this work, the Company estimates that it will pay approximately $50,000 (excluding disbursements and GST) to Addisons. Further amounts may be paid to Addisons in accordance with its normal time based charges.

Mr L H Ainsworth is the underwriter for the Shareholder Rights Issue, in respect of which he will not be receiving a fee. Writeman Pty Limited (ACN 072 404 374) as trustee for PLA Investment Trust and Serioso Pty Limited (ACN 072 404 552) as trustee for GGHA Investment Trust, entities controlled by members of Mr L H Ainsworth's family, are the underwriters of the Noteholder Rights Issue, in respect of which they will receive the fees outlined in Section 6.7.1 above.

6.10 Consents

None of the parties referred to below has authorised or caused the issue of the Prospectus or made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based. Each of these parties, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Written consents to the issue of this Prospectus have been given, and at the time of this Prospectus have not been withdrawn, by each of the following parties:

Addisons has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Mr L H Ainsworth, Writeman Pty Limited (ACN 072 404 374) as trustee for PLA Investment Trust and Serioso Pty Limited (ACN 072 404 552) as trustee for GGHA Investment Trust have given and have not, before the lodgement of this Prospectus with ASIC, withdrawn their written consent to be named in this Prospectus in the form and context in which they are named.

Computershare Investor Services Pty Limited (ACN 078 279 277) has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has no involvement in the preparation of any part of the Prospectus other than being named as a Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

6.12 Directors Authorisation

Each Director of Ainsworth Game Technology has given and has not withdrawn his consent to the lodgement of this Prospectus with ASIC.



.....

Leonard H Ainsworth
Executive Chairman

7. Glossary

2007 Annual Report	The Annual Report of the Company and its subsidiaries in respect of the financial year ending on 30 June 2007.
Additional Shares	In relation to an Issue, the number of New Shares for which Shareholders or Noteholders, as the case may be, may apply for in addition to their Entitlement under that Issue to the extent of any Shortfall in Entitlements under that Issue not taken up by other Shareholders or Noteholders, as the case may be.
Ainsworth Game Technology or the Company	Ainsworth Game Technology Limited ABN 37 068 516 665.
Applicant	Persons who submits an Application under this Prospectus for their Entitlement or for Additional Shares.
Application	A valid application to subscribe for New Shares under an Issue.
Application Monies	Monies received from Applicants in respect of their Applications being the sum of the number of New Shares applied for multiplied by the Issue Price.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The official listing rules of the ASX and other rules of the ASX which are applicable to listed entities, each as amended by the ASX from time to time, except to the extent of any expressed or written waiver by the ASX.
AWI	Associated World Investments Pty Ltd ABN 14 075 429 480, a company owned and controlled by Mr L H Ainsworth.
AWI Loan	The loan facility provided by AWI to the Company pursuant to an A$ Loan Agreement dated 13 September 2002 as amended by the following documents: (a) Agreement dated 10 November 2003; (b) Amending Deed dated 30 July 2004; (c) Second Amending Deed dated 29 July 2005; and (d) Third Amending Deed dated 30 January 2007.
AWI Transaction Documents	Has the meaning given to it in Section 6.8.2.
Board/Directors	The Directors of the Company.
Business Day	A day declared by the ASX pursuant to the ASX Listing Rules to be a business day.
Closing Date	14 December 2007, subject to the Company varying this date in

compliance with the ASX Listing Rules.

Constitution The constitution of the Company.

Convertible Notes Convertible Notes issued by the Company.

Corporations Act *Corporations Act 2001 (Cth).*

Disclosing Entity The meaning given by section 111AC of the Corporations Act.

Entitlement The entitlement:

(a) under the Shareholder Rights Issue, to 2 New Share for every 5 Ordinary Shares; or

(b) under the Noteholder Rights Issue, to 2 New Share for every 5 Convertible Notes,

held on the Record Date by persons with registered addresses in Australia or New Zealand.

Entitlement and Acceptance Form The Entitlement and Acceptance Form relevant to an Offer that accompanies this Prospectus.

Gaming Authority Any government authority which issues or grants any Licence or Approval necessary or appropriate for the lawful operation of a gaming related business in a jurisdiction.

Gaming Machine An electronically controlled casino-style gaming machine utilising a video screen, commonly referred to as a poker machine, but excluding wall-mounted machines in Europe, approved amusement devices in the United Kingdom and Pachislo and Pachinko machines in Japan.

Issue Price $0.32 for each New Share.

Len Ainsworth Holders Refers to Mr L H Ainsworth and entities controlled by him currently hold 50.97% of the Ordinary Shares and 52.0% of the Convertible Notes of the Company. These holdings are held as follows:

Holder	**Shares Held**	**% of Issued Shares**
L H Ainsworth	91,786,310	47.41%
Creative Magic (A/Asia) Pty Ltd	6,892,858	3.56%
Holder	**Notes Held**	**% of Issued Convertible Notes**
L H Ainsworth	8,000,000	40.58%
Creative Magic (A/Asia) Pty Ltd	2,252,382	11.42%

Licence A licence issued or given by a Gaming Authority necessary or appropriate for the lawful manufacturing or selling of Gaming

	Machines or other regulated products.
Material Adverse Effect	Means (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the New Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the New Shares); or (b) a material adverse effect on the income tax position of the Company and its subsidiaries taken as a whole, or the tax position of an Australian resident Shareholder or Noteholder.
New Shares	New ordinary shares to be issued under this Prospectus.
Noteholders	Holders of Convertible Notes as at 7.00pm on the Record Date with registered addresses in Australia or New Zealand.
Noteholder Rights Issue	Has the meaning given to it in Section 2.1.
Offer or Issue or Rights Issue	Each of the Noteholder Rights Issue and the Shareholders Rights Issue and the offer of Additional Shares pursuant to this Prospectus to Shareholders and Noteholders, and a reference to Offers or Issues means both of them.
Offer Period	The period commencing on the date the each Offer opens and ending on the Closing Date.
Ordinary Shares	Fully paid ordinary shares in the capital of the Company.
Prescribed Occurrence	Means: (a) the Company or its subsidiaries converting all or any of its shares into a larger or smaller number of shares; (b) the Company or its subsidiaries resolving to reduce its share capital in any way; (c) the Company or its subsidiaries: (i) entering into a buy-back agreement or; (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act; (d) the Company or its subsidiaries making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option; (e) the Company or its subsidiaries issuing, or agreeing to issue, convertible notes; (f) the Company or its subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;

(g) the Company or its subsidiaries charging, agreeing to charge, the whole, or a substantial part, of its business or property after the date of the Underwriting Agreement;

(h) the Company or its subsidiaries resolving that it be wound up;

(i) the appointment of a liquidator or provisional liquidator to the Company or its subsidiaries;

(j) the making of an order by a court for the winding up of the Company or its subsidiaries;

(k) an administrator of the Company or its subsidiaries, being appointed under section 436A, 436B or 436C of the Corporations Act;

(l) the Company or its subsidiaries executing a deed of company arrangement; or

(m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or its subsidiaries.

Prospectus This Prospectus dated 21 November 2007.

Record Date 7.00pm (Sydney time) 29 November 2007.

Rights Has the same meaning as Entitlement.

Shareholder(s) Holder(s) of Ordinary Shares as at 7.00pm (Sydney time) on the Record Date with registered addresses in Australia or New Zealand.

Shareholder Rights Issue Has the meaning given to it in Section 2.1.

Share Registry The Company's share registry, being Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shortfall In relation to an Issue, the number of New Shares for which Applications under that Issue have not been received by 5.00pm (Sydney time) on the Closing Date.

Underwritten New Shares In relation to an Issue, the number of New Shares being underwritten by the Underwriters under that Issue.

Underwriters In the case of the Shareholder Rights Issue, Mr L H Ainsworth; and

In the case of the Noteholder Rights Issue, each of Writeman Pty Limited (ACN 072 404 374) as trustee for PLA Investment Trust and Serioso Pty Limited (ACN 072 404 552) as trustee for GGHA Investment Trust, severally.

Underwriting Agreements The agreements so entitled between the Company and the Underwriters dated on or about the date of this Prospectus (see Section 6.7.1)

Corporate Directory

Directors

Leonard H Ainsworth
Executive Chairman

Stewart L Wallis, AO
Lead Independent Non Executive Director

Graeme Campbell
Independent Non Executive Director

Chief Executive Officer

Danny Gladstone

Company Secretary & Chief Financial Officer

Mark L Ludski

Registered Office

Ainsworth Game Technology

10 Holker Street

Newington NSW 2127

Auditor

KPMG

10 Shelley Street

Sydney NSW 2000

Solicitor

Addisons

Level 12, 60 Carrington Street,

Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

ANNEXURE A – CHAIRMAN'S ADDRESS

(PRESENTED BY MR LH AINSWORTH)

LADIES AND GENTLEMEN,

I AM PLEASED TO ADVISE THAT FOLLOWING THE SUBSTANTIAL LOSS IN 2007 A MAJOR REVIEW WAS UNDERTAKEN WHICH RESULTED IN A NUMBER OF STRATEGIC MOVES AIMED AT STRENGTHENING THE COMPANY'S POSITION AND ACHIEVING A FINANCIAL TURNAROUND IN THE MEDIUM TERM. THESE INITIATIVES INCLUDE A STRENGTHENED MANAGEMENT TEAM, A REVAMPED PRODUCT DEVELOPMENT PROGRAM, RESTRUCTURING AND COST REDUCTION ACTIONS, AS WELL AS A STAFF INCENTIVE PROGRAM AND ADDED INVESTMENT WITHIN KEY MARKETS AND NEW TECHNOLOGY.

WE ARE COMMITTED TO INVESTMENT IN NEW TECHNOLOGY AND NEW PRODUCTS AS IT IS CRITICAL THAT THE COMPANY REMAINS AT THE FOREFRONT OF TECHNOLOGY ADVANCEMENTS IN THIS INDUSTRY.

THE LACK OF INNOVATIVE AND UNIQUE PRODUCT OFFERINGS, DEVELOPMENT DELAYS WITHIN NEW MARKETS ALONG WITH PRODUCT PERFORMANCE ISSUES HAMPERED SHORT TERM RESULTS BOTH IN AUSTRALIA AND OVERSEAS OVER THE PAST YEAR. THE COMPANY INTRODUCED A REVAMPED PRODUCT PROGRAM, AND I AM PLEASED TO ADVISE THAT ALL PLANNED DEVELOPMENT AND PRODUCT APPROVALS HAVE NOW BEEN RECEIVED FROM REGULATORY AUTHORITIES.

INITIAL PRODUCT PERFORMANCE FEEDBACK FOR THE NEW SUITE OF GAMES RECENTLY RELEASED HAS BEEN VERY POSITIVE AND WE EXPECT THIS INITIAL PHASE OF DEVELOPMENT WILL CONTINUE TO IMPROVE PERFORMANCE AND INCREASE REVENUE IN THE 2008 FINANCIAL YEAR AND BEYOND.

MARKET CONDITIONS WITHIN AUSTRALIA CONTINUED TO PRESENT CHALLENGES. CUSTOMER DEMAND FOR GAMING EQUIPMENT AND PRODUCTS HAS BEEN ADVERSELY AFFECTED BY LEGISLATIVE CHANGES, IN PARTICULAR SMOKING IN NEW SOUTH WALES. FORTUNATELY, THE COMPANY HAS MAINTAINED ITS MARKET SHARE WITHIN NEW SOUTH WALES AND RECENT PRODUCT APPROVALS AND THE PROGRESSION OF DEVELOPMENT IN QUEENSLAND AND VICTORIA SHOULD ENSURE INCREASED DOMESTIC REVENUE IS ACHIEVED.

THE COMPANY HAS ESTABLISHED A SOUND BASIS FOR MOVING FORWARD WITH THE APPOINTMENT OF MR DANNY GLADSTONE, AN EXPERIENCED GAMING INDUSTRY EXECUTIVE, AS CHIEF EXECUTIVE OFFICER IN FEBRUARY THIS YEAR. CONCURRENTLY THE COMPANY FURTHER STRENGTHENED MANAGEMENT WITH THE APPOINTMENT OF PROVEN EXPERIENCED PERFORMERS IN THE GAMING INDUSTRY, PARTICULARLY WITHIN GAME DESIGN, RESEARCH AND DEVELOPMENT AND USA SALES MANAGEMENT.

I AM PLEASED TO NOTE THAT POSITIVE PROGRESS HAS BEEN MADE UNDER MR GLADSTONE'S LEADERSHIP

THE COMPANY RECENTLY INTRODUCED AN EMPLOYEE INCENTIVE PLAN WHEREBY SHARE OPTIONS HAVE BEEN GRANTED OVER A PORTION OF MY PERSONAL SHAREHOLDING IN THE COMPANY. THIS IS EXPECTED TO ENHANCE OUR ABILITY TO RECRUIT AND RETAIN APPROPRIATELY SKILLED AND

EXPERIENCED EMPLOYEES AND WILL ENABLE ALL PARTICIPANTS TO BENEFIT IN A SIGNIFICANT AND MEANINGFUL WAY FROM THE COMPANY'S FURTHER PROGRESS.

I AM ALSO PLEASED TO WELCOME MR GRAEME CAMPBELL TO THE BOARD. GRAEME IS ACTIVELY INVOLVED AND ASSOCIATED WITH THE HOSPITALITY INDUSTRY WITHIN NEW SOUTH WALES. HIS GAMING INDUSTRY KNOWLEDGE, COMBINED WITH HIS EXTENSIVE FINANCIAL EXPERIENCE, WILL FURTHER ASSIST THE COMPANY TO ACHIEVE ITS OBJECTIVES.

I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO THANK MR ANDREW AMER, WHO HAS ADVISED THAT HE WILL NOT BE SEEKING RE-ELECTION AS A DIRECTOR. ANDREW'S GUIDANCE AND SUPPORT DURING A DIFFICULT PERIOD HAS ASSISTED IN POSITIONING THE COMPANY TO ACHIEVE A FINANCIAL TURNAROUND.

I AM CONFIDENT IN THE COMPANY'S PROSPECTS AND ITS ABILITY TO AFFECT A TURNAROUND AND WILL CONTINUE TO OFFER MY ONGOING COMMITMENT AND FINANCIAL SUPPORT TO ENABLE THE COMPANY TO ESTABLISH AND RETURN TO PROFITABLE TRADING WITHIN THE GLOBAL GAMING INDUSTRY.

AS CONFIRMATION OF MY FINANCIAL SUPPORT AND AS PREVIOUSLY FORESHADOWED, THE COMPANY TODAY ANNOUNCED ITS INTENTION TO UNDERTAKE A FULLY UNDERWRITTEN 2 FOR 5 RENOUNCEABLE RIGHTS ISSUE AT A PRICE OF $0.32 PER SHARE. THE ISSUE WILL POTENTIALLY RESULT IN REDUCTION OF DEBT LEVELS OWED TO ME OF UP TO APPROXIMATELY $21 MILLION AND RAISE CASH OF AT LEAST $6 MILLION, BEFORE COSTS.

I HAVE AGREED TO TAKE UP MY FULL ENTITLEMENT AND UNDERWRITE THE RIGHTS ISSUE OFFERED TO ALL ORDINARY SHAREHOLDERS. THE NEW SHARES WILL BE ISSUED IN CONSIDERATION FOR THE REDUCTION OF UP TO $21 MILLION OF DEBT AND PAYMENT BY ME OF $2.5 MILLION IN CASH.

MEMBERS OF MY FAMILY HAVE AGREED TO PARTICIPATE TO ENSURE THE REMAINDER OF THE ISSUE IS FULLY UNDERWRITTEN. THIS ISSUE SIGNIFICANTLY IMPROVES THE COMPANY'S CAPITAL STRUCTURE AND GEARING AND IS EXPECTED TO HAVE A POSITIVE IMPACT ON THE COMPANY'S FUTURE PROSPECTS. A COPY OF THIS ANNOUNCEMENT HAS BEEN MADE AVAILABLE TO ATTENDEES AT THIS MEETING.

I WISH TO THANK ALL OUR SHAREHOLDERS, MY FELLOW DIRECTORS AND STAFF FOR THEIR CONTINUED SUPPORT AND LOYALTY AS THE COMPANY MOVES TOWARD ACHIEVING ITS OBJECTIVES.

ANNEXURE B – CHIEF EXECUTIVE OFFICER'S ADDRESS

(PRESENTED BY MR DANNY GLADSTONE)

WHEN I TOOK ON THE ROLE OF CHIEF EXECUTIVE OFFICER IN FEBRUARY OF THIS YEAR, I WAS AWARE THE COMPANY WAS WORKING THROUGH A VERY CHALLENGING TIME. HOWEVER I WAS ALSO AWARE THAT AINSWORTH GAME TECHNOLOGY WAS ACKNOWLEDGED IN THE INDUSTRY AS A COMPANY WITH STRONG POTENTIAL WHICH IS YET TO BE REALISED THROUGH FINANCIAL PERFORMANCE.

AS DETAILED IN THE RECENTLY RELEASED ANNUAL REPORT, THE 2007 YEAR PRESENTED THE COMPANY WITH MANY CHALLENGES WITH THE RESULT THAT A SIGNIFICANT LOSS OF $49.5 MILLION WAS INCURRED.

THIS WAS PRIMARILY DUE TO A 64% FALL IN REVENUE TO $31.0 MILLION COMPARED TO $85.3 MILLION IN THE CORRESPONDING PERIOD IN 2006. PREVIOUSLY ANTICIPATED REVENUES WITHIN THE AMERICAS, ASIA AND EUROPE SIGNIFICANTLY DECLINED AS A RESULT OF DELAYS IN OBTAINING ADDITIONAL LICENCES IN NEW MARKETS, LEGISLATIVE RESTRICTIONS IN SOME REGIONS AND PERFORMANCE ISSUES WITH SOME OF THE COMPANY'S PRODUCTS.

THE LOSS REPORTED ALSO INCLUDED $19 MILLION OF ONE OFF ITEMS INCLUDING:

- INCREASED AMORTISATION AND IMPAIRMENT LOSSES ON INTANGIBLES;
- INVENTORY WRITE-DOWNS AND PROVISIONS FROM RATIONALISATION OF PRODUCT LINES;
- COSTS IN RESOLUTION OF A ROYALTY AGREEMENT DISPUTE;
- REDUNDANCY COSTS ASSOCIATED WITH RESTRUCTURING;
- CHANGES IN RELATION TO ACCEPTANCE OF SALES ORDERS AND PAYMENT TERMS;
- MANUFACTURING UNDER-RECOVERIES ON VOLUME SHORTFALLS; AND
- INCREASED FOREIGN EXCHANGE LOSSES.

INCLUDED IN THE ABOVE WERE LOSSES RESULTING FROM CREDIT NOTES ISSUED DUE TO NEW INFORMATION ON CONDITIONS ATTACHED TO REVENUE RECOGNISED IN A PRIOR PERIOD AND WRITE-DOWNS ON INVENTORY RECLAIMED. AS OUTLINED THE COMPANY HAS IMPLEMENTED POLICY CHANGES IN RELATION TO ACCEPTANCE OF SALES ORDERS, INCLUDING THE TIGHTENING OF REVENUE RECOGNITION AND CREDIT POLICIES.

MY FIRST TASK AS CEO WAS TO CONDUCT A DETAILED STRATEGIC REVIEW AND IDENTIFY THE KEY ISSUES FACING THE COMPANY. FROM THIS A NEW BUSINESS RECOVERY STRATEGY WAS DEVELOPED AND A NUMBER OF INITIATIVES WERE PUT IN PLACE WHICH WILL SIGNIFICANTLY IMPROVE THE FINANCIAL PERFORMANCE OF THE COMPANY.

THESE MEASURES INCLUDE:

- BALANCE SHEET RESTRUCTURING AS A RESULT OF THE RIGHTS ISSUE;
- IMPROVED OPERATIONAL PROCEDURES;
- SIGNIFICANTLY ENHANCED GAME DESIGN AND NEW PRODUCT DEVELOPMENT;
- RESTRUCTURING OF BUSINESS WITH SIGNIFICANT OVERHEAD REDUCTIONS;
- THE DEVELOPMENT OF NEW PRODUCTS AND APPROVALS IN DOMESTIC AND INTERNATIONAL MARKETS; AND

- SIGNIFICANT RATIONALISATION OF OUR PRODUCT AND SALES APPROACH BOTH IN AUSTRALIA AND OVERSEAS.

A REVAMPED PRODUCT PROGRAM HAS BEEN DEVELOPED TO ENSURE A MORE STRUCTURED APPROACH IS EMPLOYED IN THE PRODUCTION OF HIGH PERFORMANCE GAMING PRODUCTS. THE FIRST STAGE OF THIS PROGRAM IS NOW COMPLETE WITH THE NECESSARY REGULATORY APPROVALS RECEIVED AND THE INITIAL FEEDBACK FROM INSTALLATIONS INDICATES STRONG PERFORMANCE WHICH CONFIRMS THE COMPANY'S STRATEGY.

THIS STRATEGY LEVERAGED OFF THE COMPANY'S PREVIOUSLY DEVELOPED INTELLECTUAL PROPERTY AND MADE USE OF AN EXTENSIVE PROVEN GAME LIBRARY IN ORDER TO FURTHER DEVELOP PRODUCT OFFERINGS. THIS RESULTED IN THE CREATION OF THE GAMEPLUS™ RANGE OF PRODUCT.

A NUMBER OF SIGNIFICANT MILESTONES HAVE NOW BEEN ACHIEVED CONSISTENT WITH THE PLANNED PROGRAM FOR GAMEPLUS™. THE RECENT NEW PRODUCT RELEASE HIGHLIGHTS WERE AS FOLLOWS:

- THE DEVELOPMENT AND APPROVAL OF THE JACKPOT KINGDOM™ 4 LEVEL PROGRESSIVE FOR THE AUSTRALIAN, US AND INTERNATIONAL MARKETS;
- THE DEVELOPMENT AND APPROVAL OF HOT REEL™ ANTI-BET GAME EXTENSION FOR THE AUSTRALIAN, US AND INTERNATIONAL MARKETS'
- THE DEVELOPMENT AND APPROVAL OF "$" MYSTERY PROGRESSIVE FOR THE AUSTRALIAN, US AND INTERNATIONAL MARKETS; AND
- THE DEVELOPMENT OF THE MULTI PLAY™ MULTI GAME FOR SELECTED MARKETS.

WHILST INITIAL INSTALLATIONS OF THIS NEW RANGE OF GAMES HAS OCCURRED WITHIN THE KEY US MARKET OF NORTH AMERICA, THE NEW PRODUCT RANGE OF GAMES WAS OFFICIALLY LAUNCHED AT THE G2E TRADE SHOW HELD LAST WEEK IN LAS VEGAS. AT THIS EVENT THE PRODUCT DISPLAYED WAS WELL RECEIVED BY THE INDUSTRY CONFIRMING THE COMPANY'S STRATEGY AND DEVELOPMENT PLANS WERE ON TRACK TO SECURE A SHARE WITHIN THE AMERICAN MARKET. RECENT INSTALLATIONS ARE CURRENTLY BEING SCHEDULED IN MAJOR VENUES WITHIN KEY NORTH AMERICAN MARKETS.

OVER THE PAST YEAR, AUSTRALIAN MARKETS HAVE BEEN PARTICULARLY CHALLENGING WITH LEGISLATIVE CHANGES, SPECIFICALLY IN RELATION TO SMOKING, ADVERSELY AFFECTING THE GAMING INDUSTRY,. DESPITE THESE DIFFICULTIES, THE COMPANY IS CONTINUING TO MAINTAIN ITS MARKET SHARE THROUGH THE RELEASE OF RECENTLY APPROVED PRODUCTS THAT WERE DISPLAYED IN AUGUST AT THE AUSTRALASIAN GAMING EXHIBITION.

FURTHER APPROVALS IN QUEENSLAND AND THE PROGRESSION OF PRODUCT DEVELOPMENT IN VICTORIA WILL ALSO ENSURE INCREASED DOMESTIC REVENUE IN THE 2008 FINANCIAL YEAR.

SIGNIFICANT NEW INVESTMENT IN KEY NORTH AMERICAN MARKETS WILL PROVIDE THE COMPANY WITH A PLATFORM FOR GROWTH AND ENABLE SALE OF THE COMPANY'S PRODUCTS UNDER A DIRECT SALES MODEL.

THE COMPANY REMAINS FOCUSED ON OBTAINING ADDITIONAL GAMING LICENCES WITHIN KEY NORTH AMERICAN JURISDICTIONS AND IS CURRENTLY LICENSED TO OPERATE IN EIGHT US STATES WHICH INCLUDES APPROVALS OVER THE PAST YEAR FOR NEW JERSEY, WISCONSIN, PENNSYLVANIA,

CONNECTICUT AND FLORIDA IN ADDITION TO THIRTY TRIBAL LICENCES ACROSS CALIFORNIA, OREGON AND MICHIGAN. THE COMPANY INVESTS HEAVILY TO SEEK ADDITIONAL LICENCES AND EXPAND INTO MULTIPLE MARKETS WHICH HAVE THE GREATEST PROFIT POTENTIAL. RECENT LICENCE APPROVALS ARE A GOOD FIRST STEP, BUT FURTHER PRODUCT AND GAME APPROVALS ARE NECESSARY BEFORE THE COMMERCIAL SALE OF PRODUCT IS ACHIEVED.

THE COMPANY HAS REVISED ITS SALES CHANNELS IN NEW ZEALAND TO OVERCOME NEW TECHNICAL REQUIREMENTS AND NOW EXPECTS TO ACHIEVE PROFITABLE TRADING IN THIS REGION OVER THE SHORT TERM. THIS CHANGE WILL REDUCE COSTS AND MINIMISE THE DELAYS AND RISKS ASSOCIATED WITH ACHIEVING REVENUE IN THIS JURISDICTION.

EUROPE CONTINUES TO BE ADVERSELY AFFECTED BY THE DEREGULATION OF THE RUSSIAN MARKET, WHILE RECENT LEGISLATIVE CHANGES IN CERTAIN EUROPEAN MARKETS HAVE ADDED COMPLEXITY AND FURTHER AFFECTED REVENUE FORECASTS IN THIS REGION. TO PREVENT FURTHER LOSSES ASSOCIATED WITH THE HIGH COST OF SERVICING THESE DIVERSE AND FRAGMENTED MARKETS, THE COMPANY HAS IMPLEMENTED A DISTRIBUTION SALES MODEL, COMPARED TO THE FORMER SALES OFFICE MAINTAINED IN THIS REGION.

THE COMPANY IS WELL POSITIONED TO MOVE FORWARD IN AREAS OF DESIGN, INNOVATION AND SUSTAINABLE HIGH PERFORMING GAME DEVELOPMENT, THANKS TO FURTHER INVESTMENT IN RESEARCH AND DEVELOPMENT AND THE ADDITIONAL RECRUITMENT OF PROVEN GAMING EXECUTIVES AND KEY PERSONNEL.

A MAJOR OBJECTIVE OF THE COMPANY DURING THE 2008 YEAR IS TO REDUCE PREVIOUS LEVELS OF INVESTMENT IN WORKING CAPITAL. PRUDENT MANAGEMENT PRACTICES, INCLUDING REDUCTIONS IN CREDIT TERMS AND CURRENT INVENTORY LEVELS, WILL ALSO MOVE THE COMPANY TOWARD A FINANCIAL TURNAROUND.

THE COMPANY ACKNOWLEDGES THE SUPPORT AND EXTENSIVE GAMING EXPERIENCE OF THE COMPANY'S FOUNDER AND CHAIRMAN MR L H AINSWORTH, SPECIFICALLY THROUGH THE RIGHTS ISSUE ANNOUNCED TODAY. AS A RESULT THE COMPANY WILL BE BETTER POSITIONED THROUGH THE REDUCTION OF DEBT LEVELS AND ADDITIONAL FINANCIAL RESOURCES TO ALLOW ITS CONTINUED INVESTMENT ON NEW PRODUCT DEVELOPMENT FOR ITS TARGETED MARKETS.

IN THE SHORT TERM A REDUCED LOSS IS EXPECTED FOR THE FIRST HALF OF THE 2008 YEAR COMPARED TO THE CORRESPONDING PERIOD IN THE PREVIOUS YEAR. FINANCIAL RESULTS FOR THE SECOND HALF ARE EXPECTED TO RESULT IN SIGNIFICANTLY IMPROVED TRADING PERFORMANCE DUE TO THE ACTIONS IMPLEMENTED UNDER THE NEW STRATEGIC PLAN.

WITH A FOCUSED AND DRIVEN APPROACH IN ALL OPERATIONAL AREAS, THE COMPANY'S POSITION IN THE GAMING INDUSTRY WILL BE SIGNIFICANTLY ENHANCED.

I AM ENCOURAGED BY THE PROGRESS AND RESULTS THAT HAVE BEEN MADE AND AM CONFIDENT THAT THE OUTLOOK FOR THE COMPANY IS POSITIVE.

AINSWORTH GAME TECHNOLOGY

ABN 37 068 516 665

Computershare

Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 253 Sydney
New South Wales 2001 Australia
Enquiries (within Australia) 1300 668 729
(outside Australia) 61 3 9415 4654
Facsimile 61 2 8235 8212
web.queries@computershare.com.au
www.computershare.com

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Securityholder Reference Number (SRN)

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Use a black pen.
Print in CAPITAL letters inside the grey areas.

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Entitlement and Acceptance Form (including Additional Shares)

IMPORTANT:
This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this form, please consult a professional adviser.

Renounceable Rights Issue closing at 5.00pm (Sydney Time) on Friday 14 December 2007

Renounceable Rights Issue on the basis of 2 New Shares for every 5 Existing Ordinary Shares registered to Eligible Shareholders and entitled to participate at the Record Date at an issue price of A$0.32 per New Share.

This Entitlement and Acceptance Form should not be relied upon as evidence of the current entitlement of the person named in this Entitlement and Acceptance Form.

Receipt of this Entitlement and Acceptance Form by 5.00pm (Sydney Time) on 14 December 2007 with your payment using cheque or bank draft will constitute acceptance in accordance with the terms of the Prospectus dated 21 November 2007.

Rights trading commences on Friday 23 November 2007 and is expected to cease on Friday 7 December 2007.

I/We enclose my/our payment for the amount shown above being payment of A$0.32 per New Share. I/We hereby authorise you to register me/us as the holder(s) of the New Shares allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

A Securityholder Entitlement details

Subregister	Issuer
Existing Ordinary Shares entitled to participate at Record Date on 29 November 2007	XXX,XXX,XXX
Entitlement to New Shares on a 2 for 5 basis	XXX,XXX,XXX
Amount payable on full acceptance at A$0.32 per New Share	XXX,XXX,XXX
Entitlement Number	123456789012

Acceptances can only be accepted in the name printed on this form

See back of form for completion guidelines

Pin cheque(s) here. Do not staple.

AINSWORTH GAME TECHNOLOGY

Entitlement: X,XXX | Payable: X,XXX

Entitlement Number: <xxxxxxxxxx>

B Number of New Shares applied for

C Number of Additional New Shares applied for

D Amount enclosed at A$0.32 per New Share
A$.

E Payment Details

Drawer	Cheque number	BSB number	Account number	Cheque amount
				A$

Make your cheque or bank draft payable to "Ainsworth Game Technology Limited " and crossed "Not Negotiable"

F Contact Details
Please provide your contact details in case we need to speak to you about this form

Name of contact person

Contact person's daytime telephone number
( )

1234567890123456+1234567890-1234+12

How to complete the Entitlement and Acceptance form

Please note that photocopies of this form will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

A Details of your entitlement to New Shares based on your Shares at 7.00 pm (Sydney Time) on 29 November 2007 are shown in box A on the front of this Entitlement and Acceptance Form.

B New Shares Accepted

You can apply to accept either all or part of your entitlement to New Shares. Enter in box B the number of New Shares you wish to accept.

Please ensure you complete Section B on the bottom of the form.

C Additional Shares Applied for

Enter the number of Additional Shares you wish to apply for (if any). You are only eligible to apply for Additional Shares if you apply to take up your entitlement to New Shares in full.

No Eligible Shareholder is assured of receiving any Additional Shares applied for and any applications from Eligible Shareholders for Additional Shares may be scalec back at Ainsworth Game Technology Limited's discretion, in such manner as Ainsworth Game Technology Limited considers is reasonable in the circumstances.

Please ensure you complete Section C on the bottom of the form.

D Payment Details

Make your cheque or bank draft payable to "Ainsworth Game Technology Limited in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box D.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance being rejected. Pin (do not staple) your cheque(s) to the Entitlement and Acceptance Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

E Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

The Directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

Your Entitlement and Acceptance Form and together with your cheque or bank draft must be received at the Sydney office of Computershare Investor Services Pty Limited by no later than 5.00pm (Sydney Time) on 14 December 2007. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia and New Zealand. New Zealand holders will need to affix the appropriate postage. Return your Entitlement and Acceptance Form with cheque to either of the addresses listed below.

By Mail
Ainsworth Game Technology Limited OR
C/- Computershare Investor Services Pty Limited
GPO Box 253
SYDNEY NSW 2001

By Hand
Ainsworth Game Technology Limited
C/- Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
SYDNEY NSW 2000

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your entitlement, please contact Computershare Investor Services Pty Limited on 1300 135 416

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GPO Box 253
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OR



By Hand:
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Level 3, 60 Carrington Street
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Entitlement Number: <xxxxxxxxxx>

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SAMPLE STREET
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SAMPLETOWN TAS 7000

AINSWORTH GAME TECHNOLOGY

ABN 37 068 516 665

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Entitlement to New Shares on a 2 for 5 basis	XXX,XXX,XXX
Amount payable on full acceptance at A$0.32 per New Share	XXX,XXX,XXX
Entitlement Number	123456789012

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AINSWORTH GAME TECHNOLOGY

Entitlement: X,XXX	Payable: X,XXX

Entitlement Number: <xxxxxxxxxx>

B Number of New Shares applied for

C Number of Additional New Shares applied for

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A$.

E Payment Details

Drawer	Cheque number	BSB number	Account number	Cheque amount
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B ## New Shares Accepted

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Enter the number of Additional Shares you wish to apply for (if any). You are only eligible to apply for Additional Shares if you apply to take up your entitlement to New Shares in full.

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