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News Release

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ESI Integrity Appoints New President, Provides New Business Update

VANCOUVER, BC, December 12 - ESI Entertainment Systems Inc. (TSX:ESY) today announced that its subsidiary, ESI Integrity Inc., has appointed Mr. Alan A. Ahac to the position of President. The Company also provided details on recent new business wins for ESI Integrity Inc., including an agreement with RCI Integrity Services Inc. to supply their National Pari-Mutuel Monitoring Center and selection by the Virginia Lottery to supply the *Integrity* ICS solution.

"Alan's leadership has made ESI Integrity Inc. a world leader in the supply of continuous monitoring technology for the gaming industry," said Tony Greening, Chairman and CEO of ESI Entertainment Systems Inc. "We believe his passion and leadership will allow the continued strategic growth of ESI Integrity in both the gaming and related markets."

Mr. Ahac has been with the ESI group of companies since 1998, and most recently was Vice President of Business Development for ESI Integrity Inc. In 1999, Mr. Ahac led the initial development of the Integrity Continuous Monitoring product taking it from two government lottery sites in 1999 to its current 44 lottery and pari-mutuel sites spanning North and South America, Europe, Asia and Africa.

ESI today also announced that ESI Integrity Inc. has entered into an agreement with RCI Integrity Services Inc. (RCIIS) to supply its *Integrity* Continuous Monitoring System for the new RCIIS National Wagering Monitoring Center for horse and dog race wagering in the United States. Created by the association of state racing regulators in the US, RCI Integrity Services Inc. will exclusively deploy ESI's *Integrity* Monitoring System to independently monitor and audit the wagering activity on horse racing, dog racing and jai alai in the United States in near real-time. The term of the agreement is 10 years.

"Racing regulators have recognized ESI Integrity Inc. as the leading supplier of monitoring systems technology for the gaming industry, and we are happy to be able to work with ESI in establishing RCI Integrity Services," said Ed Martin, Acting General Manager for RCIIS and President and CEO of Racing Commissioners International.

Finally, ESI Integrity Inc. has been awarded a contract to supply its Internal Control System (ICS) solution to the Virginia Lottery. Under the terms of the agreement, ESI will supply license of its industry-leading *Integrity* ICS and shall provide various services relating to the installation, training, support and maintenance of the system. The term of the agreement is until September 2014, with the lottery having the option of extensions of up to three (3) years. The contract award was the result of a competitive tender process by the Lottery.

“Our Request for Proposal (RFP) drew a number of very high quality proposals,” said Virginia Lottery Executive Director Sheila Hill-Christian. “In the end, we determined that the submission from ESI Integrity Inc. provided the best solution and value to the Lottery.”

About RCI Integrity Services Inc.

RCI Integrity Services Inc. is a not-for-profit services organization focused on providing services to ensure the integrity of wagering on horse racing, dog racing and jai alai in the United States. RCIIS was formed as an initiative of the Association of Racing Commissioners International, an association of regulators of race wagering.

About ESI Integrity Inc.

ESI Integrity Inc. is the leading supplier of independent software for Security and Risk Management in gaming. The ESI Integrity Continuous Monitoring System provides independent real-time monitoring of lottery and pari-mutuel gaming – auditing billions of dollars of gaming world-wide every year. ESI Integrity is currently licensed at over 40 lotteries and pari-mutuel wagering sites, spanning North America, South America, Europe, Asia, and Africa.

About ESI Entertainment Systems Inc.

ESI Entertainment Systems Inc. is a public company traded on the Toronto Stock Exchange (TSX: ESY). The Company’s strategy is to focus on its transaction services to the high-growth gaming markets, through its wholly owned subsidiaries; Citadel Commerce Corp and ESI Integrity.

Forward- looking Statements

This news release contains forward-looking statements concerning ESI Entertainment Systems Inc, which statements can be identified by the use of forward-looking terminology such as “expect”, “proposed”, “may”, “plan”, “intend”, “will”, “would” or the negative thereof or any other variations thereon or comparable terminology referring to future events or results. Forward-looking statements are statements about the future and are inherently uncertain, and the actual events or results could be materially different than those anticipated in those forward-looking statements as a result of numerous factors discussed more fully in the Company’s Final Prospectus dated March 22, 2006, Annual Information Form and elsewhere. These risks include risks related to revenue growth, operating results, industry growth, changes in regulation and legislation, products, technology, financing, competition, personnel and other factors affecting the Company and its business, any of which could cause actual events or results to vary materially from ESI’s anticipated future results. Forward-looking statements are based on beliefs, opinions and expectations of ESI’s management at the time they are made, and ESI does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances should change.

The Toronto Stock Exchange does not accept responsibility for this press release.

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