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News Release

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ESI Announces Further Restructuring

Vancouver, BC, March 26, 2007 -- ESI Entertainment Systems Inc. ("ESI") (TSX: ESY) today announced that the Company has continued with its restructuring plans in order to optimize its operations and to build a strong foundation for future growth.

The following actions have been performed:

- All intellectual property related to Citadel Commerce and PlayLine will be transferred to subsidiaries in Malta.
- Citadel's primary data center in Vancouver will be re-located to Malta.
- Citadel has commenced outsourcing portions of its software development to India.
- Citadel's call center in Costa Rica has been enhanced to support additional operational responsibilities as well as local accounting capability.
- Citadel's North American sales staff has been further reduced.
- Citadel's UK operational and sales staff has been increased and has already signed several new agreements.

Due to the reduction of accounting support required in Canada, Mark Bains has agreed to resign as CFO of ESI. Tony Greening will resume responsibility for the CFO role.

As a result of the further restructuring and continued conservative use of its accumulated capital, ESI expects to generate increased sales in Europe and better position the company to serve its customers.

Due to the recent events in the gaming industry and their affect on the Company, stock options have been granted to key employees in order to enhance employee retention over the next four to five years. Effective March 1, 2007, ESI has granted 1,175,000 stock options to directors, officers, employees and consultants from the Employee Stock Option Plan (ESOP). The options have exercise price of \$0.50 and expire on March 1, 2017.

About ESI Entertainment Systems Inc.

ESI Entertainment Systems Inc. ("ESI") (TSX: ESY) provides products and services to the international gaming and e-commerce industries through its three principal subsidiaries, Citadel Commerce Corp., ESI Integrity Inc. and PlayLine Inc. ESI's products and services, which primarily consist of payment processing, transaction monitoring and turnkey gaming platforms, are deployed in the on-line and land based gaming and e-commerce markets.

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