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News Release

For Immediate Release May 14, 2007

Citadel Commerce Announces Update on Merchants Reserves held in the USA

Vancouver, BC, May 14, 2007 -- ESI Entertainment Systems Inc. ("ESI") (TSX: ESY) and Citadel Commerce Corp, a wholly owned subsidiary of ESI, today announced that further to the press release dated April 27, 2007 concerning the US\$ 9.25 million Merchant Reserve Funds frozen by its processor in the USA, these funds have now been seized by the U.S. Department of Justice (DoJ).

All of these funds are Merchants' Reserves related to internet gaming except for approximately US\$ 941,000 of Citadel's own capital.

The company is continuing to work with the DoJ through its legal counsel to resolve the situation.

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.

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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