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News Release

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Citadel Commerce Shuts Down Financial Processing for Non-domestic Internet Gaming Merchants for USA Consumers

Vancouver, BC, January 17, 2007 -- ESI Entertainment Systems Inc. ("ESI") (TSX: ESY), a leading provider of products and services to international organizations and the gaming industry, today announces that effective immediately its subsidiary Citadel Commerce Corp. will no longer offer financial processing to non-domestic Internet Gaming merchants for USA consumers.

The Company was looking forward to complying with the new Regulations for financial processors under the Unlawful Internet Gambling Enforcement Act of 2006 passed on October 13, 2006 but this decision was made by the ESI Board of Directors in the light of recent US Department of Justice enforcement actions against financial processors executives.

This decision will have a material impact on the financial condition of the Company as a substantial part of its revenues was derived from non-domestic Internet Gaming merchants for USA consumers.

About ESI Entertainment Systems Inc.

ESI Entertainment Systems Inc. ("ESI") (TSX: ESY) provides products and services to the international gaming industry 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 markets.

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