

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR HOLDING OF CONVERTIBLE NOTES IN
THE COMPANY. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE
THE MEETING OF NOTEHOLDERS REFERRED TO BELOW, IS CONVENED.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR
STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

AINSWORTH GAME TECHNOLOGY LIMITED

ABN 37 068 516 665

Notice of Meeting of Noteholders and Explanatory Statement

NOTICE OF MEETING OF NOTEHOLDERS TO BE HELD ON
MONDAY 22 DECEMBER 2008 AT 11.00AM (SYDNEY TIME)
IS INCLUDED WITH THESE DOCUMENTS.
TO BE VALID, FORMS OF PROXY FOR USE AT THIS MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
11.00AM (SYDNEY TIME) ON SATURDAY 20 DECEMBER 2008.

01 NOTICE OF MEETING OF NOTEHOLDERS

1. TIME AND PLACE OF MEETING

Venue

The Meeting of Noteholders of Ainsworth Game Technology Limited (ACN 068 516 665) will be held at:
Ainsworth Game Technology Limited
10 Holker Street
NEWINGTON NSW 2127

Time and Date

The Meeting will commence at 11.00 am (Sydney time) on Monday 22 December 2008.

Definitions

A glossary of the key terms used throughout these Documents is contained in section 7 of the attached Explanatory Statement.

How to Vote

You may vote by attending the Meeting in person, by proxy or corporate representative.

Voting in Person

To vote in person, attend the Meeting on the date, time and place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with these Documents as soon as possible and:

- send the duly completed Proxy Form to the Company's share registry on the following facsimile numbers:
1800 783 447 (within Australia)
+ 61 3 9473 2555 (outside Australia)
- deliver it to the registered office of the Company at 10 Holker Street, Newington, NSW 2127; or
- deliver it to the office of the Company's share registry at:
 - if in person, Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney, NSW 2000; or
 - if by mail, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001,so that it is received not later than 11.00am (Sydney time) on Saturday 20 December 2008.

Complete details on how to vote by proxy and your Proxy Form are set out in section 2 of this Notice of Meeting and the Proxy Form.

Corporate Representative

Any corporate Noteholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a letter or certificate executed in accordance with the Corporations Act authorising that person as the corporate Noteholder's representative at the Meeting; or
- a copy of the resolution appointing that person as the corporate Noteholder's representative at the Meeting, certified by a secretary or director of the corporate Noteholder.

2. NOTICE OF MEETING OF NOTEHOLDERS

Notice is hereby given that a Meeting of the Noteholders of Ainsworth Game Technology Limited (ACN 068 516 665) will be held at the place, date and time set out in section 1 of this Notice of Meeting.

An Explanatory Statement containing information in relation to the resolution to be considered at the Meeting accompanies and forms part of this Notice of Meeting of Noteholders.

SPECIAL BUSINESS

Resolution – Approval of amendment to the terms of the Convertible Note Trust Deed

To consider, and if thought fit, pass the following resolution as a Special Quorum Resolution:

“That the Noteholders:

- (a) approve the modification of the convertible note trust deed dated 16 November 2004 (and amended on 18 November 2004) (“Trust Deed”), pursuant to which the Notes were issued, by amending the Trust Deed as set out in the amending document produced at the meeting and initialled by the Chairman for the purposes of identification (the effect of which is summarised in the Explanatory Statement accompanying this Notice of Meeting) (“Deed of Amendment”);*
- (b) authorise the Note Trustee to execute the Deed of Amendment; and*
- (c) approve the modification referred to in paragraph (a) above taking effect on and from the execution of the Deed of Amendment by the Company and the Note Trustee provided that prior to that time, the modification has been approved by a general meeting of the members of the Company.”*

Determination of Noteholder and entitlement to vote for the purpose of the Meeting

For the purposes of determining a person’s entitlement to attend and vote at the Meeting, a person will be recognised as a Noteholder if that person is registered as a holder of Notes at 7.00pm (Sydney time) on Monday 15 December 2008.

Chairman of the Meeting

Pursuant to paragraph 3.1 of Schedule 1 (“Meeting Provisions”) of the Trust Deed, the Company nominates Mr Graeme John Campbell, an independent non-executive Director of the Company who does not hold any Notes, to be the chairman of the Meeting.

Proxies

- A Noteholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote on that Noteholder’s behalf.
- A proxy need not be a Noteholder of the Company.
- Appointment of a proxy by a Noteholder who is a corporation must be under its common seal or under the hand of an officer or attorney so authorised.
- A Proxy Form accompanies this Notice of Meeting.

The Proxy Form and power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be received by the Company at its office or its share registry at the address or facsimile number set out in section 1 of this Notice of Meeting not less than forty-eight (48) hours before the time for holding the meeting (i.e. by no later than 11.00am (Sydney time) on Saturday 20 December 2008).

Please read these Documents carefully and in their entirety, determine how you wish to vote in relation to the Resolution and then cast your vote accordingly, either in person or by proxy. If you do not understand any part of these Documents, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

By Order of the Board



ML Ludski

Company Secretary

21 November 2008

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This Explanatory Statement has been prepared for the information of Noteholders in relation to the business to be conducted at the Meeting of Noteholders of Ainsworth Game Technology Limited (ACN 068 516 665) to be held on Monday 22 December 2008 at 11.00am.

This Explanatory Statement is provided to Noteholders to assist them in deciding how to vote upon the Resolution. The Directors recommend that the Noteholders read this Explanatory Statement in full before making any decision in relation to the Resolution.

1. DETAILS OF THE PROPOSAL

1.1 Background

The Company entered into a Convertible Note Trust Deed on 16 November 2004 (and amended on 18 November 2004) ("**Trust Deed**") to issue up to \$32 million worth of Notes (at a face value of \$1.30 for each Note). The main terms of the Notes are:

- (a) the Notes were issued on 20 December 2004 with a term of approximately 5 years;
- (b) the face value of each Note is \$1.30;
- (c) 19,714,717 Notes are on issue;
- (d) each Note is convertible to one ordinary share in the Company on specified dates and at any time during which a "Trigger Event" is subsisting. The Notes are currently out of the money as each Note with a face value of \$1.30 will on conversion convert into an ordinary share having a market value, as at Friday 14 November 2008 of \$0.06;
- (e) the Notes have an interest rate of 8% per annum, payable on 30 June and 31 December in each year (ending on the maturity date of the Notes or, if applicable, the conversion date of the Notes); and
- (f) the maturity date of the Notes is 31 December 2009.

As at the date of this Explanatory Statement, the Company has \$25,629,000 (rounded) worth of Notes on issue.

Noteholders are being asked to consider and approve amendments to the terms of the Trust Deed and therefore to the terms of the Notes held by them. It is proposed that the terms of the Notes be amended so that:

- (a) the maturity date of the Notes is varied from 31 December 2009 to 31 December 2011 (subject to the option to extend described below). This means that repayment of the face value of a Noteholder's Notes is deferred from 31 December 2009 to 31 December 2011 (or 31 December 2014, if the Noteholder exercises its extension right);
- (b) persons registered as Noteholders as at the Extension Right Record Date (as defined in the amended Trust Deed) are given an option to extend the maturity date of their Notes for a further 3 years to 31 December 2014;
- (c) the right to extend the maturity date of their Notes referred to in paragraph (b) above may be exercised by a Noteholder at any time after 31 November 2011 but before 24 December 2011, except in the case of Wholesale Investor Noteholders (as defined in the amended Trust Deed) who may exercise their right at any time from the date the proposed amendments take effect until 24 December 2011;
- (d) the Company will be required to notify Noteholders by the date which is 30 business days before 31 December 2011 of their right to extend the maturity date of their Notes. This notice from the Company will indicate that if, for whatever reason, the Notes do not qualify for quotation on the ASX after 31 December 2011, all of the outstanding Notes at that time will become unlisted Notes;
- (e) the Company will have the right to redeem the Notes on 31 December 2011 or at the end of every six months from 31 December 2011 until the final maturity date of 31 December 2014. If the Company notifies a Noteholder of its intention to redeem that Noteholder's Notes at this time, the Noteholder may elect to convert its Notes on the proposed redemption date; and
- (f) the interest rate payable on the Notes will be varied from 8% per annum to 10% per annum with effect from 1 January 2010.

Further details about the proposed amendments to the Trust Deed are set out in Attachment A to this Explanatory Statement.

A full copy of the Trust Deed with the proposed amendments marked-up is available for inspection during business hours prior to the Meeting of Noteholders at the registered office of the Company at 10 Holker Street, Newington, NSW 2127. Alternatively, the Company will provide a copy of the Trust Deed with the proposed amendments marked-up, free of charge, to any person who requests a copy before the date of the Meeting. A copy of the amended Trust Deed is also available on the Company's website (www.ainsworth.com.au) or on the ASX companies' announcement platform.

05 EXPLANATORY STATEMENT (continued)

1. DETAILS OF THE PROPOSAL (continued)

1.2 Approval of the Noteholders

The Trust Deed requires the Resolution to be approved by a Special Quorum Resolution of Noteholders. A Special Quorum Resolution requires Noteholders representing at least 75% of all amounts owing at that time by the Company in relation to the Notes ("**Amount Owing**"), to be present (in person or by proxy) to form a quorum.

If the required quorum for a Special Quorum Resolution is not present within 15 minutes of the time appointed for the Meeting, the Meeting will be adjourned to such a date, time and place as the chairman appoints. The date of the adjourned meeting will be at least 5 days (but no later than 14 days) after the date of the Meeting. The quorum for the adjourned meeting are Noteholders representing at least 50% of the Amount Owing, to be present (in person or by proxy).

Additionally, the Resolution must be passed by at least 75% of the votes cast at the Meeting (where the required quorum is present) on a show of hands, or if a poll is demanded, by Noteholders representing at least 75% of the Amount Owing who are present at the Meeting (in person or by proxy).

If the Resolution is approved, the amendments to the terms of the Notes effected by the Deed of Amendment will take effect once the Company and the Note Trustee have executed the Deed of Amendment, subject to the approval of the members (see section 1.3 of this Explanatory Statement below).

1.3 Approval of the members

In addition to the approval of the Noteholders, the Company's members will also be asked to consider and approve the amendments to the Trust Deed.

The Company consulted with the ASX regarding the proposal to amend the Trust Deed. The ASX confirmed to the Company that it would treat the amendment of the terms as being similar to a new issue of securities. As such, approval of the Company's members to the amendment of the Trust Deed under ASX Listing Rules 7.1 and 10.11 will be sought.

ASX Listing Rule 7.1 provides that, subject to certain exceptions, member approval is required to issue or agree to issue any securities (which is defined to include convertible notes) during a 12 month period, if the number of those securities exceeds 15% of the company's securities then on issue.

ASX Listing Rule 10.11 provides that, subject to certain exceptions, member approval is required for an issue of equity securities to a related party of the company. A number of related parties of the Company hold Notes.

Additionally, Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of that public company unless the financial benefit falls within one of the exceptions or prior member approval is obtained to the giving of the financial benefit.

Mr Leonard Hastings Ainsworth ("**Len Ainsworth**") and Mr Stewart Lawrence Wallis ("**Stewart Wallis**"), directors of the Company, hold Notes. As Len Ainsworth, Stewart Wallis, their spouses, their children and entities controlled by them are related parties of the Company for the purposes of the ASX Listing Rules and the related party provisions of the Corporations Act and as the amendments to the Trust Deed as described in this Explanatory Statement may constitute the giving of a financial benefit to these related parties as the holders of Notes, member approval will be sought for the proposed amendments to the Trust Deed.

The amendments to the Trust Deed will not be made unless the members of the Company have approved the amendments by ordinary resolution. So even if the Noteholders approve the amendments, they cannot be put into effect until approved by the Company's members.

The general meeting of members to consider the amendments to the Trust Deed will be held at the following time and location:

Date: Monday 22 December 2008
Time: 10:00am
Location: At the same location as the Meeting of Noteholders

A copy of the notice of general meeting of members is available for inspection during business hours prior to the Meeting of Noteholders at the registered office of the Company at 10 Holker Street, Newington, NSW 2127. Alternatively, a copy is available on the Company's website (www.ainsworth.com.au) or on the ASX companies' announcement platform by accessing the notice of general meeting of members.

1.4 Note Trustee's disclaimer

The Note Trustee has not authorised or caused the issue of the Notice of Meeting of Noteholders or this Explanatory Statement. Neither the Note Trustee nor any member of the Trust Company group makes any representation as to the truth or accuracy of the contents of these Documents other than the parts which refer directly to the Note Trustee.

The Note Trustee does not make any representation regarding or accepts any responsibility for any statements or omissions in or from any other parts of these Documents. Other than the parts of these Documents which refer directly to the Note Trustee or which refer to the provisions of the Trust Deed, the Note Trustee has relied upon the Company for the accuracy of the contents of these Documents.

Neither the Note Trustee nor any member of the Trust Company group makes any representations as to any particular return.

2. EFFECT OF THE PROPOSAL ON THE NOTEHOLDERS AND THE COMPANY

As discussed above, your Board is proposing amendments to the Trust Deed for Noteholders' approval to agree to an extension of the maturity date of their Notes for at least 2 years from 31 December 2009 to 31 December 2011 and, if a Noteholder exercises its extension right, then to 31 December 2014 subject to the Company's right to redeem the Notes earlier in accordance with the terms of the amended Trust Deed.

This section 2 sets out some of the possible effects on the Company and the Noteholders in relation to their holding of Notes if the Resolution is approved by Noteholders and members and the Trust Deed is amended.

2.1 Consequences of amending the Trust Deed

(a) Repayment of the face value of the Notes

If Noteholders approve the amendments to the Trust Deed, then the Company will not be required to repay the face value of the Notes (being approximately \$25,629,000 in aggregate) until 31 December 2011 (or if a Noteholder exercises its extension right, until 31 December 2014). The Company will, however, have the right (at its discretion) to redeem the Notes of a Noteholder on the last day of each 6-month period beginning on 1 January 2012 and ending on 31 December 2014, provided it has given that Noteholder at least 30 business days notice of its intention to do so.

(b) Conversion of Notes to Shares

A Noteholder will have the right to convert their Notes to Shares on 31 December 2011.

Additionally, if the Company notifies a Noteholder of its intention to redeem the Notes of that Noteholder between 1 January 2012 and 31 December 2014 as referred to above, that Noteholder may convert its Notes to Shares on the proposed redemption date.

(c) Interest

Interest on the Notes will continue to be paid in half yearly instalments. Currently the interest rate is 8% pa but if the Trust Deed is amended then the interest rate will be increased to 10% pa from 1 January 2010 until redemption or conversion of the Notes. This increase in interest rate is to encourage Noteholders to vote in favour of the amendments to the Trust Deed. This rate of interest is at the lower end of what the Company would have to pay in the event that alternative funding is required to be found at this time. It may be that at 1 January 2010, this new interest rate is highly competitive if general interest rates go down, or not very competitive if general interest rates go up. Noteholders will have to take into account the proposed change to the interest rate payable on the Notes in deciding whether to vote in favour of the Resolution.

The Company has, up to the date of this Explanatory Statement, paid interest on the Notes without default when it has become payable under the terms of the Trust Deed.

(d) Len Ainsworth's and Margarete Ainsworth's agreement to extend the maturity date of their Notes

If the amendments to the Trust Deed are approved by members and Noteholders, Len Ainsworth, his wife ("Margarete Ainsworth") and companies they control, which together own 12,223,668 Notes with a face value of \$15,890,768.40, have agreed to extend the maturity date of their Notes until 31 December 2014 under the extension right granted under the amendments to the Trust Deed.

This agreement by Len and Margarete Ainsworth is significantly beneficial to the Noteholders as it means that even if all other Noteholders do not exercise their extension right under the amendments to the Trust Deed and thus all Notes other than those held by Len and Margarete Ainsworth and the companies they control have to be redeemed on 31 December 2011, then only approximately \$9,738,363.70 will be required to be paid out to Noteholders at that time.

07 EXPLANATORY STATEMENT (continued)

2. EFFECT OF THE PROPOSAL ON THE NOTEHOLDERS AND THE COMPANY (continued)

2.2 Consequences of not amending the Trust Deed

If the Resolution is not approved and the Trust Deed is not amended, then the terms of the Notes will remain unchanged. The maturity date of the Notes will remain as 31 December 2009, the Company will continue to pay interest on the Notes until their redemption or conversion on the maturity date and the face value of the Notes will be repaid on 31 December 2009.

As at the date of this Explanatory Statement, the Company has sufficient committed but undrawn funds available under a loan agreement ("**Loan Facility Agreement**") in place with Associated World Investments Pty Ltd (ACN 075 429 480) ("**AWI**"), a company controlled by Len Ainsworth, to redeem all the Notes at the current maturity on 31 December 2009. However, if the Company uses \$25,629,132.10 of the undrawn funds available under the Loan Facility Agreement to redeem the Notes and given the Board's estimate of the Company's ongoing working capital requirements to 31 December 2009, the Company will need to review alternative funding sources. The Board is of the view that additional funding of this nature will not be available from sources other than Len Ainsworth and the companies he controls.

Clearly, if the amendments to the Trust Deed are not approved by the required number of Noteholders, until alternative financing arrangements are able to be agreed with Mr Ainsworth, the Board will have to reassess the activities of the Company to ensure that it meets its commitments as and when they fall due.

3. RISK FACTORS

There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company, the value of the Notes and the Company's ability to repay the Notes at maturity. These factors are relevant to the Noteholders' holding of Notes whether or not the Trust Deed is amended, but Noteholders should be aware of these risks when considering whether to approve the extension of the maturity date of the Notes for a minimum of a further 2 years.

This section 3 is a summary of some of these risk factors but should not be regarded as exhaustive. Noteholders should carefully consider these risk factors in conjunction with the other information contained in this Explanatory Statement before deciding on how to vote on the Resolution.

It will be important for Noteholders to consider their personal circumstances, including financial and taxation circumstances, in deciding how to vote. It may be appropriate for Noteholders to seek professional advice before deciding whether to vote to approve the Resolution.

(a) Risks associated with holding Notes

Financial market conditions

The market price of the Notes will fluctuate from now until their extended maturity date due to factors such as interest rates, general movements in the Australian and international markets, investor sentiment, global and regional economic conditions, movements in the price of the Company's shares and factors which may affect the Company's financial performance and position.

Liquidity of Notes

The market on ASX for Notes will likely be less liquid than the market for Shares given the relative sizes of amounts outstanding. Noteholders who wish to sell their Notes during the proposed extended term of the Notes may be unable to do so at an acceptable price, or at all if insufficient liquidity exists in the market for Notes.

Additionally, if the proposed amendments are approved, if for whatever reason the Notes do not qualify for or maintain quotation on the ASX beyond 31 December 2011 (or the Company is of the opinion that the Notes are unlikely to qualify for quotation), all of the Notes of the Retail Investor Noteholders (as defined in the amended Trust Deed) will be redeemed on 31 December 2011. In these circumstances if a Wholesale Investor Noteholder exercises their right to extend the maturity date of their Notes, they should be aware that their Notes will no longer be listed on the ASX.

Unsecured debt

The Notes are an unsecured debt obligation of the Company which ranks equally with other ordinary unsecured creditors of the Company. In any winding up of the Company, Noteholders will rank behind secured creditors and any future secured lenders to the Company. If the Company is wound up, Noteholders will only have a right to receive repayment of principal and interest after all secured creditors, and any unsecured creditors preferred by law, have been paid in full. In the event of a shortfall of funds on a winding up of the Company, there is a risk that Noteholders will not receive a full return of principal or any outstanding interest. See also the comments in section 4.1 on the security which supports the Loan Facility Agreement.

Interest rate

It is proposed that the interest rate on the Notes will increase from 8% per annum to a fixed 10% per annum with effect from 1 January 2010. However, market rates may be volatile and there is a risk that the general level of interest rates may increase in the future and the interest rate of 10% per annum on the Notes may become less attractive when compared to other rates of return on comparable securities.

(b) Specific risk factors

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 on many factors beyond its control. A number of these are set out below.

Default under the Loan Agreement

As described in sections 2.2 and 4.1 of this Explanatory Statement, during the life of the Notes, it may be necessary for the Company to redraw under the Loan Facility Agreement to fund the interest payments on the Notes and the repayment of the Notes' face value on their redemption (whether on the original maturity date of 31 December 2009 or if the Resolution is approved, on 31 December 2011 or 31 December 2014).

There are a number of events which if any one of them occurs, will constitute an event of default under the Loan Facility Agreement. If an event of default occurs, AWI may declare that all of the amounts owing under the Loan Facility Agreement are payable on demand. The events of default include any of the following events (amongst others):

- (a) a representation or warranty made or taken to be made by or for the Company or a security provider in connection with a Transaction Document (defined in the Loan Facility Agreement and includes the mortgage and fixed and floating charge granted by the Company in favour of AWI (see Attachment B for more details)) is found to have been incorrect or misleading when made or taken to be made; or
- (b) the persons who at the date of the Loan Facility Agreement have control of the Company cease to have control of the Company or one or more persons acquire control of the Company after the date of the Loan Facility Agreement, except that where shares conferring control of the Company pass under a will no event of default occurs; or
- (c) an event occurs which is, or is likely to have (or a series of events occur which, together, are, or are likely to have) a material adverse effect on:
 - (i) the Company's ability to comply with its obligations under any Transaction Document; or
 - (ii) the value of the property secured by a security; or
 - (iii) AWI's rights under a Transaction Document; or
 - (iv) (in the reasonable opinion of AWI) the business or financial condition of the Company.

Additionally, the Company is required to repeat each of the representations and warranties set out in the Loan Facility Agreement at each drawdown date. If the Company is unable to make any of those representations or warranties at the relevant time in the future, it may not be able to redraw under the Loan Facility Agreement to fund the required payments to Noteholders at that time.

Further details of the Loan Facility Agreement are summarised as Attachment B to this Explanatory Statement.

Further loan from director/shareholder controlled entity

In addition to the Loan Facility Agreement referred to above, the Company entered into a further unsecured loan of approximately \$4,098,000 as at 30 June 2008 with AWI to finance building works at the Company's premises at 10 Holker Street, Newington. This loan is under similar terms and conditions to the Loan Facility Agreement with interest accruing on an agreed date at the rate of 8% per annum.

The current terms of the reimbursement are that an annual amount of \$350,000 will be paid as a repayment of the principal amount. The full repayment of the remaining balance and interest will not be required to be paid until such time as the Board determines, in its absolute discretion, that the Company has sufficient operating cash flows to do so and until the Loan Facility Agreement has been repaid.

If circumstances occur such that the lender is able to call for the payment of all or part of the principal or interest owing on this loan and on the Loan Facility Agreement, the Company may not have sufficient funds to repay the lender.

Competition

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 being an innovative competitor to its larger competitors, 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.

09 EXPLANATORY STATEMENT (continued)

3. RISK FACTORS (continued)

(b) Specific risk factors (continued)

Regulatory environment for gaming in the jurisdictions in which it operates

The manufacture and distribution of gaming machines and associated products are subject to extensive local and foreign laws, regulations and taxes and the governments of the various gaming jurisdictions amend these laws and regulations from time to time.

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.

The Company's continued growth prospects within the Americas are heavily dependent, to a great extent, on securing the necessary gaming licences and product approvals in those jurisdictions.

Failure to implement strategy and manage growth

The Company's business plan is based upon a strategy of growth, both in Australia and in targeted 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. There are significant execution risks inherent in these initiatives and no assurance can be given that the Company will be successful in their implementation.

Continued 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.

Lack of profit history

The Company has yet to establish a satisfactory record of profitable operation, having reported a loss in the 2008 financial year as detailed in the Company's 2008 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.

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.

As noted in the 2008 Annual Report, the Company relies on the continued support of Len Ainsworth, and the Directors are confident the Company, having secured funding by way of support from Len Ainsworth and his related entities, can pay its debts as and when they fall due.

Payment of interest on Notes

The Company has taken steps to mitigate any risk associated with the payment of interest on the Notes beyond 31 December 2009 and the repayment of the face value of the Notes on redemption of the Notes in accordance with the terms of the amended Trust Deed, by obtaining the commitment of Len Ainsworth, Margarete Ainsworth and the companies they control, which together own 62.00% of the Notes on issue as at the date of this Explanatory Statement to extend the maturity of their Notes until 31 December 2014 (see section 2.1(d) of this Explanatory Statement above). This means that the Company will not be required to repay the face value of all of the Notes on 31 December 2011.

Other risk factors

Other risk factors include:

- technology and intellectual property risks;
- reliance on key personnel;
- reliance on suppliers;
- malfunctions, unintended operations or errors in gaming systems, hardware, software documentation or installation procedures;
- foreign operations;
- 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;
- currency fluctuations;
- credit risks;
- changes to gaming taxes, levies and fees; and
- litigation.

4. FUNDING FOR REPAYMENT OF NOTES

4.1 Loan Facility Agreement

As mentioned in section 2.2, the Company has a Loan Facility Agreement in place with AWI. Funds under the Loan Facility Agreement are available to be drawn down to fund the interest payments under the Notes or to pay the face value of the Notes on redemption until the maturity date of the Loan Facility Agreement, which is the date that is 4 years after the death of Len Ainsworth. The Company is not required to repay the principal amount or any interest on drawings made under the Loan Facility Agreement until its maturity date.

If Len Ainsworth is alive on 1 January 2009, then the maturity date of the Loan Facility Agreement will not be before 1 January 2012 (which is after the new maturity date of the Notes on 31 December 2011 if the Trust Deed is amended). Noteholders who exercise the right to extend the maturity date of their Notes to 31 December 2014 should be aware that it may be the case that the Loan Facility Agreement may have expired before that time, in which case, funds for redemption of the Notes will have to come from alternative third party funding sources, if available, or from the Company's trading operations.

As at the date of this Explanatory Statement, the Company has never been in default under the Loan Facility Agreement and does not anticipate at this time that circumstances will arise which will lead it to being in breach of the Loan Facility Agreement before its maturity date. The Company may be in default under the Loan Facility Agreement if an event of default occurs in relation to the Company. Some relevant examples of events of default are:

- (a) an event occurs that has a material adverse effect on the business or financial condition of the Company;
- (b) the Company is unable to repeat certain representations and warranties as a precondition to each drawdown under the Loan Facility Agreement (e.g. if the Company is unable to say that it is able to pay its debts as and when they become due and payable immediately before drawdown); and
- (c) distress is levied or a judgment, order or encumbrance is enforced, or becomes enforceable, against any property of the Company or any subsidiary.

If, however, the Company defaults under the Loan Facility Agreement before the maturity of the Notes (whether this is on the original maturity date of 31 December 2009 or the proposed new maturity date of 31 December 2011), then the Loan Facility Agreement may be terminated or the Company may not be able to make a drawing under the Loan Facility Agreement to repay interest on the Notes or the face value of the Notes at maturity.

In addition, it should be noted that of the \$40 million facility limit under the Loan Facility Agreement, 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. This means that if there is default under the Loan Facility Agreement and the Company is unable to repay the principal and interest outstanding under the Loan Facility Agreement, then AWI, as the lender, can exercise its rights over the security provided to it to secure up to \$30 million of principal and all accrued interest. Noteholders, if there has been default under the Trust Deed, will stand as unsecured creditors of the Company together with AWI for amounts which AWI is secured for but is not able to recover against the security provided to it by the Company.

Details of the events of default and representations and warranties under the Loan Facility Agreement and a summary of its other key terms are set out in Attachment B.

4.2 Company's operations and outlook

The Company expects that the strategies employed by it as described in this Explanatory Statement and in the 2008 Annual Report and the funds available to it under the Loan Facility Agreement should ensure that the Company has sufficient funds to redeem all of the Notes (other than the Notes held by Len Ainsworth, Margarete Ainsworth and the companies controlled by them, which will have had their maturity dates extended to 31 December 2014 (see section 2.1(d) of this Explanatory Statement above)), on 31 December 2011 if the Trust Deed is amended.

For further information relating to the financial performance of the Company, please refer to the 2008 Annual Report.

11 EXPLANATORY STATEMENT (continued)

5. OVERVIEW OF THE COMPANY

The Company 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 Len 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 Ambassador Gaming Machine. The Company was listed on the ASX on 17 December 2001.

5.1 Company's management and Board

The Company's Board comprises 3 directors, 2 of whom are independent non-executive directors. For further information relating to the management and Board of the Company, please refer to the 2008 Annual Report.

5.2 Financial performance

For further information relating to the financial performance of the Company, please refer to the 2008 Annual Report.

5.3 Outlook

For further information relating to the outlook for the Company, please refer to the chairman's address to be provided at the 2008 annual general meeting of the Company, a copy of which will be made available on the Company's website (www.ainsworth.com.au) or on the ASX companies' announcement platform on 26 November 2008.

5.4 Trading of the Company's Shares and Notes

Noteholders have the option to convert each Note they hold at redemption into one Share, rather than having the Note redeemed at redemption for \$1.30.

For this option to be valuable to a Noteholder who purchased their Notes in the original issue, the market value of a Share at redemption must be above \$1.30, whether that redemption occurs on 31 December 2009, the original redemption date, or the proposed new redemption date of 31 December 2011 (or otherwise after this date in accordance with the Trust Deed).

A Share has not traded on the ASX above \$1.30 since 4 November 2004, when the Share price reached \$1.38. As a result, little value should be given to the conversion option by a Noteholder who purchased their Notes in the original issue in making a decision to approve the amendments to the Trust Deed.

Whether this option will be valuable to a Noteholder who purchased their Notes on market will depend on the purchase price of the Notes and the final market value of the Shares on the relevant redemption date, whether the original redemption date (on 31 December 2009) or the proposed new redemption date (on 31 December 2011, or if extended, on 31 December 2014).

A copy of the 2008 Annual Report is available on request by contacting the Company or alternatively, a copy is available on the Company's website (www.ainsworth.com.au) or on the ASX companies' announcement platform.

6. ADDITIONAL INFORMATION

6.1 Recommendation of Directors

Len Ainsworth and Stewart Wallis, directors of the Company who each hold Notes and in the case of Len Ainsworth the major shareholder of the Company, do not propose to recommend how other Noteholders should vote but propose to vote their Notes and the Notes held by companies they control (representing 53.29% in total of all Notes) in favour of the resolution to amend the Trust Deed. Details of Len Ainsworth's and Stewart Wallis' holding of Notes and Shares are set out in section 6.4 of this Explanatory Statement below.

In addition, Mr Graeme Campbell, a non-executive director of the Company who does not hold Notes, also does not propose to recommend to Noteholders how to vote. This is because even though Mr Campbell considers approval of the Resolution to be in the best interest of the Company, there are numerous factors which will determine how an individual Noteholder should vote their Notes.

6.2 Regular reporting and disclosure obligations

The Company 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 the Company 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, the Company 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 the Company which a reasonable person would expect to have a material effect on the price or value of ordinary shares or other securities issued by the Company. That information is available on the public file at the ASX.

In particular, Noteholders should review the Company's 2008 Annual Report and the Chairman's address and Chief Executive Officer's address to the annual general meeting of the Company which is due to be held on 26 November 2008 for detail on the Company's current activities. The Chairman's address and Chief Executive Officer's address will be available on 26 November 2008.

6.3 Availability of documents

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

Each of the documents listed below is available on the ASX companies' announcement platform or on the Company's website (www.ainsworth.com.au). Alternatively, the Company will provide a copy of each of the documents, free of charge, to any person who requests a copy before the date of the Meeting:

- the annual report of the Company for the year ended 30 June 2008, being the most recent annual report of the Company lodged with ASIC before the date of the Meeting;
- the notice of the general meeting of members, the accompanying explanatory statement and all attachments to the notice of general meeting;
- the Chairman's address and the Chief Executive Officer's address to the 2008 annual general meeting, to be made available on 26 November 2008; and
- all documents used to notify the ASX of information concerning the Company under the ASX Listing Rules relating to continuous disclosure after lodgment of the Company's 30 June 2008 annual report with ASIC and before the date of issue of this Explanatory Statement, being:

DATE	ASX ANNOUNCEMENT
31 October 2008	Appendix 4C - Quarterly Report for the quarter ended 30 September 2008

6.4 Noteholding and Shareholding of Directors and their related parties

Len Ainsworth and Stewart Wallis, their spouses, their children and entities controlled by them have the following holding of Shares and Notes:

Holder	Relationship	No. of Shares held	Percentage (%)	No. of Notes held	Percentage (%)
Mr LH Ainsworth (LHA)					
Mr LH Ainsworth	LHA	158,798,140	56.93	-	-
Baclupas Pty Ltd (Valhalla Account)	LHA	-	-	8,000,000	40.58
Invia Custodian Pty Limited (Votrant Braesyde SF A/C)	Spouse	37,048,975	13.28	1,898,286	9.63
Creative Magic (A/Asia) Pty Ltd	LHA	6,892,858	2.47	2,252,382	11.42
Kjerulf David Pty Ltd	LHA	-	-	73,000	0.37
Serioso Pty Limited (GGHA Trading Account)	Son	3,841,984	1.38	-	-
Writeman Pty Limited (PLA Investment Fund A/C)	Son	3,841,984	1.38	-	-
CJHA Pty Ltd (CJHA Family A/C)	Son	454,670	0.16	281,797	1.43
Mr KD Ainsworth	Son	375,000	0.13	-	-
Mr CJ Ainsworth	Son	175,000	0.06	-	-
Arminella Pty Ltd (SJHA Family A/C)	Son	-	-	59,900	0.30
SUB TOTAL		211,428,611	75.79	12,565,365	63.73

13 EXPLANATORY STATEMENT (continued)

6. ADDITIONAL INFORMATION (continued)

6.4 Noteholding and Shareholding of Directors and their related parties (continued)

Holder	Relationship	No. of Shares held	Percentage (%)	No. of Notes held	Percentage (%)
Mr SL Wallis (SLW)					
Casola Holdings Pty Ltd (Nordiv Holdings P/L S/F A/C)	SLW	407,577	0.15	179,000	0.91
Casola Holdings Pty Ltd (Wallis Family A/C)	SLW	200,000	0.07	-	-
Mr SL Wallis	SLW	16,703	-	2,000	-
Mrs G Wallis	Spouse	5,700	-	-	-
SUB TOTAL		629,980	0.22	181,000	0.91
TOTAL		212,058,591	76.01	12,746,365	64.64

7. GLOSSARY

2008 Annual Report means the Company's 2008 Annual Report issued on 24 October 2008.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Company means Ainsworth Game Technology Limited (ACN 068 516 665).

Corporations Act means the *Corporations Act 2001* (Cth).

Deed of Amendment means the deed of amendment to be entered into by the Company and the Note Trustee to give effect to amendments to the Trust Deed the subject of the Resolution.

Directors means the directors of the Company.

Documents means the Notice of Meeting of Noteholders, this Explanatory Statement and any documents accompanying them.

Meeting or **Meeting of Noteholders** means the meeting of the Noteholders convened by the Notice of Meeting.

Note Trustee means Trust Company Fiduciary Services Limited (formerly known as Permanent Trustee Company Limited) (ACN 000 000 993) as trustee for the Noteholders.

Noteholder means a holder of a Note.

Notes means the convertible debt securities issued by the Company under the terms of the Trust Deed.

Notice of Meeting of Noteholders or **Notice of Meeting** means the notice of meeting of the Noteholders which accompanies this Explanatory Statement.

Proxy Form means the form of proxy which accompanies this Explanatory Statement.

Resolution means the proposed resolution to be considered by the Noteholders at the meeting convened in accordance with the Notice of Meeting accompanying this Explanatory Statement.

Share means an ordinary share in the capital of the Company.

Trust Deed means the convertible note trust deed between the Company and the Note Trustee dated 16 November 2004 (and amended on 18 November 2004).

ATTACHMENT A

SUMMARY OF PROPOSED AMENDMENTS TO TRUST DEED

If the Resolution is passed, the amendments to the terms of the Notes will be effected by a Deed of Amendment which is to be executed by the Company and the Note Trustee.

A summary of the changes to the Trust Deed to be effected by the Deed of Amendment are set out in the table below. Unless otherwise defined in this Explanatory Statement, capitalised terms in this Attachment have the meaning given to them in the Trust Deed.

CLAUSE REFERENCE	SUMMARY OF AMENDMENT
Details – Interest Rate	The Interest Rate on the Notes will be amended from 8.00 per cent per annum to 10.00 per cent per annum from 1 January 2010.
Details – Maturity Date	<p>The Maturity Date of each Note will be amended from 31 December 2009 to:</p> <ul style="list-style-type: none"> • if the Maturity Date is extended in accordance with Condition 7A – 31 December 2014; and • in any other case – 31 December 2011.
Schedule 2 – Condition 7A (“Maturity”)	A new Condition 7A is to be inserted in Schedule 2 to grant an Extension Right to each Noteholder who is registered as a Noteholder on the Extension Right Record Date (which is five Business Days before the date the Exercise Period to exercise the Extension Right commences). The Extension Right is a right to extend the Maturity Date of a Noteholder’s Notes to 31 December 2014.
Schedule 2 – Condition 7A.2 (“Notice from Company”)	<p>A new Condition 7A.2 is to be inserted in Schedule 2 which will require the Company to provide written notice to each Noteholder of their Extension Right at least 30 Business Days before 31 December 2011.</p> <p>This notice must also set out (amongst other things):</p> <ul style="list-style-type: none"> • the Exercise Period; • the documents a Noteholder must deliver to the Company if it wishes to exercise its Extension Right; and • any other information the Company determines a Noteholder reasonably requires to decide whether or not to exercise its Extension Right.
Schedule 2 – Condition 7A.3 (“Notice to Extend”)	<p>A new Condition 7A.3 is to be inserted in Schedule 2 to provide that a Noteholder must deliver a Notice to Extend to the Company within the Exercise Period to exercise its Extension Right. A Noteholder must not exercise its Extension Right in respect of fewer than 1,000 Notes unless it holds less than 1,000 Notes in aggregate, in which case, it must exercise its Extension Right in respect of all of its Notes.</p> <p>A definition of “Extension Period” is to be inserted in Condition 17.2 (“Definitions”) of Schedule 2. The Exercise Period for a Wholesale Investor Noteholder commences on the date Condition 7A takes effect and ends at 5.00pm (Sydney time) on 24 December 2011. For all other Noteholders, the Exercise Period for their Extension Right commences at 9.00am (Sydney time) on 30 November 2011 and ends at 5.00pm (Sydney time) on 24 December 2011.</p> <p>A definition of “Notice to Extend” will also be inserted in Condition 17.2 (“Definitions”) of Schedule 2. A Notice to Extend will be in the form provided to the Noteholder by the Company.</p>

15 EXPLANATORY STATEMENT (continued)

SUMMARY OF PROPOSED AMENDMENTS TO TRUST DEED (continued)

CLAUSE REFERENCE	SUMMARY OF AMENDMENT
Schedule 2 – Condition 7A.4 (“Wholesale Investor Certificate”)	<p>Under the proposed new Condition 7A.4 to be inserted in Schedule 2, any Noteholder who exercises its Extension Right will be deemed a Retail Investor Noteholder in respect of all of that Noteholder’s Notes, unless the Noteholder provides a Wholesale Investor Certificate to the Company before the expiry of the Exercise Period (which is 24 December 2011).</p> <p>The relevance of being deemed a Retail Investor Noteholder is set out in Condition 7A.5 (“Redemption on 31 December 2011”) (a summary of which is set out below).</p>
Schedule 2 – Condition 7A.5 (“Redemption on 31 December 2011”)	<p>The Trust Deed currently provides that each Note is only redeemable by the Company on its Maturity Date or following a Takeover Event (provided the Company has given at least 20 Business Days’ notice to the Trustee).</p> <p>A new Condition 7A.5 is to be inserted in Schedule 2 which entitles the Company to redeem a Note in the following additional circumstances:</p> <ul style="list-style-type: none"> • if a Noteholder has not exercised its Extension Right in respect of a Note, the Maturity Date of that Note will not be extended to 31 December 2014 and will be redeemed on its Maturity Date (which will be 31 December 2011); • if a Noteholder transfers a Note after the Extension Right Record Date and before 31 December 2011, that Note will be redeemed by the Company on 31 December 2011 (whether or not the Noteholder has exercised its Extension Right in respect of that Note); and • if, for whatever reason, the Notes cease to qualify for quotation on the ASX beyond 31 December 2011, or the Company is of the opinion that the Notes are unlikely to qualify for (or maintain) quotation on the ASX beyond 31 December 2011, all of the Notes of all Retail Investor Noteholders will be redeemed on 31 December 2011 (whether or not the Retail Investor Noteholders have exercised their Extension Right in respect of those Notes). This means that only the Notes of Wholesale Investor Noteholders, who have exercised their Extension Right, will remain outstanding after 31 December 2011 if the Notes cease to be listed after that date.
Schedule 2 – Condition 7A.6 (“Not an Event of Default or a Trigger Event”)	<p>Under Condition 13.1 (“Events of Default”) of Schedule 2, it is an Event of Default if (amongst other events) the Company does not comply with an obligation in connection with the Notes (other than payment of an amount payable on the Notes) and, if the non-compliance can be remedied, does not remedy the non-compliance within 5 days after written notice requiring the default to be remedied has been delivered to the Company by a Noteholder.</p> <p>Under current Condition 7.2(b) (“Conversion Notice”) of Schedule 2, a Noteholder may require that the Noteholder’s Notes be converted at any time while a Trigger Event is subsisting, by delivering a Conversion Notice to the Company. Under Condition 17.2 (“Definitions”) of Schedule 2, a Trigger Event includes (amongst other events) the Notes being suspended from trading on ASX for more than 20 consecutive Business Days or are delisted.</p> <p>A new Condition 7A.6 is to be inserted to provide that, notwithstanding any other provision of the Trust Deed, any suspension of trading or any delisting of the Notes resulting from any provision in new Condition 7A (including the procedure to introduce the Condition to the terms of the Notes) will not be an Event of Default or a Trigger Event.</p>

CLAUSE REFERENCE	SUMMARY OF AMENDMENT
Schedule 2 – Condition 7.2 (“Conversion Notice”)	<p>Condition 7.2 of Schedule 1 currently provides that a Noteholder may require that the Noteholder’s Notes be converted on a Specified Conversion Date (which, currently are, 31 December 2007 and the Maturity Date) or at any time while a Trigger Event is subsisting.</p> <p>Condition 7.2 will be amended to provide that in addition to the above circumstances, a Noteholder is also entitled to convert its Notes on the last day of each Half-Year (which is each 6-month period commencing on 1 January 2012 and ending on 31 December 2014). This is provided that the Maturity Date of those Notes have been extended in accordance with Condition 7A (“Maturity”) and the Company has given notice to the Noteholder of the Company’s intention to redeem that Noteholder’s Notes in accordance with new Condition 10(b) (“Redemption”).</p> <p>The definition in Condition 17.2 (“Definitions”) of Schedule 2 of the “Specified Conversion Date” of a Note is also to be amended to mean:</p> <ul style="list-style-type: none"> • 31 December 2014 – if the Note’s Maturity Date has been extended in accordance with Condition 7A (“Maturity”) and the Company has not exercised its right to redeem the Note under new Condition 10(b) (“Redemption”); • 31 December 2011 – in the circumstances set out in new Conditions 7A.5(a) or (b) (“Redemption on 31 December 2011”); and • 31 December 2011 – in all other cases.
Schedule 2 – Condition 10 (“Redemption”)	<p>As set out above, the Trust Deed currently provides that each Note is only redeemable by the Company on its Maturity Date or following a Takeover Event.</p> <p>New Condition 7A.5 (“Redemption on 31 December 2011”) provides additional circumstances in which a Note may be redeemed by the Company.</p> <p>In addition, a new Condition 10(b) is to be inserted to provide that the Company is entitled, at its discretion, to redeem each Note on the last day of each Half-Year, provided that it has given at least 30 Business Days’ notice to the Noteholder of its intention to do so. On providing this notice, a Noteholder may elect to convert its Notes under Condition 7.2 (“Conversion Notice”) instead.</p>
Schedule 2 – Condition 17.2 (“Definitions”)	<p>In addition to the new defined terms as set out above, a number of other defined terms will also be inserted in Condition 17.2 of Schedule 2 as a consequence of the amendments summarised above.</p> <p>“ASX” is currently defined as “Australian Stock Exchange Limited”. The definition of “ASX” is to be amended to refer to the current name of Australian Stock Exchange Limited, being “ASX Limited”. The ACN of ASX Limited will also be inserted in the definition.</p>
General amendments	<p>A number of miscellaneous amendments (including those to correct any typographical errors) will also be made to the Trust Deed.</p>

ATTACHMENT B

SUMMARY OF LOAN FACILITY AGREEMENT

At the date of this Explanatory Statement, the facility limit under the Loan Facility Agreement is \$40 million and the amount owed is approximately \$14.87 million (excluding approximately \$9.28 million in interest accrued under the Loan Facility Agreement).

Of the \$40 million facility limit under the Loan Facility Agreement, 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.

Term

The maturity date of the Loan Facility Agreement was recently amended on 21 October 2008 from 4 January 2010 to the date that is 4 years after the death of Len Ainsworth. The Company must repay the principal amount of all drawings made under the Loan Facility Agreement on the maturity date.

Interest rate

Interest on drawings under the Loan Facility Agreement is only payable after the principal amount has been fully repaid. The interest rate on drawings under this facility for any interest period before 29 July 2005 is the National Australia Bank Limited ("NAB") term deposit rate offered on 13 June 2005 and for any interest period on or after 29 July 2005 the lower of:

- (a) the NAB 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 minus 0.25% per annum; and
- (b) 8% per annum.

Default rate

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

Events of default

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

- (a) **(non-payment – Transaction Document)** the Company does not pay on time any amount payable by it under any Transaction Document in the manner required under it; or
- (b) **(cross default)** any present or future monetary obligations of the Company or any of its subsidiaries for amounts totalling more than \$100,000 are not satisfied on time (or at the end of their period of grace) or become prematurely payable; or
- (c) **(enforcement against assets)** distress is levied or a judgment, order or encumbrance is enforced, or becomes enforceable, against any property of the Company or any of its subsidiaries; or
- (d) **(incorrect certificate)** a certificate given under clause 2.5 of the Loan Facility Agreement ("Conditions to first drawdown") is incorrect or misleading; or
- (e) **(incorrect representation or warranty)** a representation or warranty made or taken to be made by or for the Company or a security provider in connection with a Transaction Document is found to have been incorrect or misleading when made or taken to be made; or
- (f) **(insolvency)** the Company or any of its subsidiaries becomes insolvent; or
- (g) **(ceasing business)** the Company or any of its subsidiaries stops payment, ceases to carry on its business or a material part of it, or threatens to do either of those things except to reconstruct or amalgamate while solvent on terms approved by AWI; or
- (h) **(voidable Transaction Document)** a Transaction Document or a transaction in connection with it is or becomes (or is claimed to be) wholly or partly void, voidable or unenforceable or does not have (or is claimed not to have) priority AWI intended it to have ("claimed" in this paragraph means claimed by the Company or any of its related entities or anyone on behalf of any of them); or

- (i) **(change of control)** the persons who at the date of the Loan Facility Agreement have control of the Company cease to have control of the Company or one or more persons acquire control of the Company after the date of the Loan Facility Agreement, except that where shares conferring control of the Company pass under a will no event of default occurs; or
- (j) **(change in group structure)** the Company ceases to be a subsidiary of the company which is its holding company at the date of the Loan Facility Agreement or a company ceases to be a subsidiary of the Company; or
- (k) **(appointment of manager)** a person is appointed under legislation to manage any part of the affairs of the Company or any of its subsidiaries; or
- (l) **(material adverse effect)** an event occurs which is, or is likely to have (or a series of events occur which, together, are, or are likely to have) a material adverse effect on:
 - (i) the Company's ability to comply with its obligations under any Transaction Document; or
 - (ii) the value of the property secured by a security; or
 - (iii) AWI's rights under a Transaction Document; or
 - (iv) (in the reasonable opinion of AWI) the business or financial condition of the Company,**["Material Adverse Effect"]**; or
- (m) **(breach of undertaking)** an undertaking given to AWI by the Company or another person in connection with a Transaction Document is breached or not wholly performed within any period specified in the undertaking or, where no period is specified and the undertaking is not an ongoing undertaking, within seven days after the date of the undertaking; or
- (n) **(default under other Transaction Document)** an event occurs which is called an "event of default" under any Transaction Document other than the Loan Facility Agreement, or any other event occurs which renders enforceable a Transaction Document that comprises an encumbrance; or
- (o) **(non-compliance with other obligations)** the Company does not comply with any other obligation under any Transaction Document and, if the non-compliance can be remedied, does not remedy the non-compliance within seven days.

Representations and warranties

The Company is required to repeat the representations and warranties set out in the Loan Facility Agreement:

- (a) on the date on which each drawdown is to be made;
- (b) on the last day of each interest period;
- (c) every three months after the date of the fixed and floating charge; and
- (d) on each date that the Company acquires secured property.

The representations and warranties made by the Company under the Loan Facility Agreement include (amongst other representations and warranties):

- (a) **(solvency)** there are no reasonable grounds to suspect that it or any of its subsidiaries is unable to pay its debts as and when they become due and payable; and
- (b) **(ownership of property)** it is the beneficial owner of and has good title to all property held by it or on its behalf and all undertakings carried on by it free from encumbrances, other than any encumbrance which is permitted by AWI; and
- (c) **(litigation)** there is no pending or threatened proceeding affecting it or any of its subsidiaries or any of their assets before a court, governmental agency, commission or arbitrator except those in which a decision against it or their subsidiary (either alone or together with other decisions) might have a Material Adverse Effect; and
- (d) **(event of default)** no event of default or potential event of default continues unremedied or unwaived; and
- (e) **(default under law – Material Adverse Effect)** neither it nor any of its subsidiaries is in breach of a law or obligation affecting any of them or their assets in any way which is, or is likely to have, a Material Adverse Effect.



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Ainsworth Game Technology Limited
ABN 37 068 516 665

000001 000 AGI
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am Saturday 20 December 2008

How to Vote on the Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a Noteholder/s of Ainsworth Game Technology Limited hereby appoint

☐

the Chairman
of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Meeting of Noteholders of Ainsworth Game Technology Limited to be held at 10 Holker Street, Newington NSW 2127 on Monday, 22 December 2008 at 11.00am and at any adjournment of that meeting.

STEP 2 Item of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

1 To approve the amendment to the terms of the Convertible Note Trust Deed

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the above item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date ____/____/____

AGI

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