

24th August 2006

BETEX GROUP PLC
(“Betex” or “the Company”)

**Chinese lottery software rollout gains pace
with the signing of four additional provinces**

Further to the press release on 14 August 2006, Betex Group plc (AIM:BTX), announces that it has signed four additional exclusive province-wide distribution agreements with agents for the Company’s new lottery software to be distributed into the provinces of Hubei, Liaoning, Tianjin and Ji Lin for both Sports and Welfare lottery products.

The Company estimates that the new agreements will result in the distribution of the software into approximately 800 further lottery outlets across the four provinces in the short term, with the main agent also able to grant sub-agency licences. As with the previous 2 agreements, each of the provincial agents has provided an undertaking that the gross fees from software use will exceed RMB 100,000 per day (approx £200,000 per month) after the first month of signing the agreement.

The first week’s sales figures from the 2 initial distribution agreements in Sichuan and Shan Xi have exceeded expectations, with daily sales averaging more than RMB 390,000 (£26,000), 50% above expectations. The speed of take up has also exceeded expectation with revenue being generated in more than 1,100 shops at the end of the first week.

The Company retains 65% of the gross fees earned after payments to the owners of the retail outlets and the agency network. Operational costs are deducted from the net revenues to leave net profit, with 30% of net profit being paid as bonus to the software’s designer and Technical Director, and the Company retaining 70% of the net profits. Early indications are that net profits will be around 8 to 12% of gross fees, although this figure may change as the software is more widely distributed.

Commenting on the developments Peter Greenhill, CEO of Betex said “It is very early days for this new product but we are extremely pleased with the initial trading results which are a testimony to the reputation of its designer Mr Fu, and of our new Retail director Mr Li Bin. The new agreements to expand the distribution network into 4 additional provinces with mature lottery markets should provide us with greater reach whilst reducing potential volatility in the financial trends. We will of course be looking to expand our agency network further.”

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Notes For Editors

Betex
Betex Group plc is an AIM listed Company focused on gaming opportunities in Asia, and most notably in China. In 2005 the Company announced it was the first foreign company to secure an involvement in the Chinese State Sports Lottery with deals in the provinces of Hebei and Guizhou.

These deals have secured Betex the right to 1.3% and 2% of the total lottery sales of the respective provinces, who had a combined annual turnover of around £134 million in 2005.

The Chinese Lottery Market

The Chinese Lottery market is currently believed to be worth US\$8.6 billion, and in 2004 it was the worlds tenth largest by sales. It has been growing at a compound annual growth rate of 36 per cent since 1998 despite currently having only the 35th ranked per capita spend on lottery products.

Despite strict laws against gambling in any form other than the government approved lottery, Peking University has estimated illegal gaming activity in China to be US\$75 billion per annum, indicating the Lottery currently captures only 6% of the potential pool. The Company believes that the majority of illegal activity is attracted to single match football betting, and that the forthcoming changes to the sports lottery will mean that an amount of the illegal activity that can be lured back into the regulated market.

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