



Chartwell Technology

Amaya Gaming Group Inc.  
TSXV: AYA

Chartwell Technology Inc.  
TSX: CWH

## AMAYA AND CHARTWELL ENTER INTO A BUSINESS COMBINATION AGREEMENT

Calgary, Canada, May 12, 2011, Chartwell Technology Inc. (TSX:CWH) (“Chartwell”), a leading provider of games, gaming systems and platform for the regulated online casino gaming industry and Amaya Gaming Group Inc. (TSX.V: AYA) (“Amaya”) an entertainment solutions provider for the regulated gaming industry are pleased to announce that they have entered into an Arrangement Agreement to combine the businesses of both companies.

The proposed transaction will combine two experienced international gaming technology providers, leveraging their complementary product offerings, technology and people to better compete in both the online and land-based gaming industries. Chartwell and Amaya will continue to focus on their existing businesses with the greatly expanded products, technologies and expertise resulting from the combination.

Pursuant to the Arrangement Agreement, a wholly owned subsidiary of Amaya, will acquire all of the issued and outstanding common shares (the “Chartwell Shares”) of Chartwell by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the “Arrangement”) in an arm’s length transaction valued at approximately CDN\$22.77 million.

Under the terms of the Arrangement Agreement, each Chartwell shareholder (the “Shareholders”) will receive cash in the amount of \$0.875 plus 0.125 common shares of Amaya (Amaya Shares) in exchange for each Chartwell Share. Chartwell Shareholders will also have the right to elect to receive one-half of the total consideration for their Chartwell Shares in the form of Amaya Shares at a deemed value of \$3.00 for each Amaya share, subject to a maximum number of Amaya Shares to be issued to Chartwell Shareholders of 3,825,197, which represents approximately 9% of the current issued and outstanding shares of Amaya. The Chartwell Shares have a deemed value of \$1.25 for the purpose of the Arrangement. The Arrangement represents a 69% premium to the weighted average trading price of the Chartwell Shares for the 30 trading days ended May 11, 2011 and a premium of approximately 56% over the closing price of the Chartwell Shares on May 11, 2011.

The Chartwell Board has unanimously determined that the Arrangement is fair to the Chartwell Shareholders and that the Arrangement is in the best interest of Chartwell and has unanimously approved the Arrangement and resolved to recommend that Chartwell Shareholders vote in favour of the Arrangement. Evans & Evans Inc., Chartwell’s financial advisor, has provided the Chartwell Board with its preliminary indication that, as of the date hereof, the consideration to be received by Chartwell Shareholders pursuant to the Arrangement is fair, from a financial point of view to such shareholders.

Members of the Chartwell Board and the Chartwell executive officers, who collectively own approximately 5% of the outstanding Chartwell Shares, have entered into lock-up agreements with Amaya to vote their Common Shares in favour of the Arrangement and the transaction is conditional on holders of at least another 20% of the Chartwell Shares entering into similar lock-up agreements on or before May 27, 2011.

The Arrangement is subject to customary Toronto Stock Exchange, TSX Venture Exchange and other regulatory approvals, securing contractual consents as well as including, but not limited to, the approval of at least 66<sup>2</sup>/<sub>3</sub>% of the votes cast in person or by proxy at a special meeting of Chartwell's Shareholders and the approval of the court pursuant to the *Business Corporations Act* (Alberta). The Arrangement is also conditional upon Chartwell's Board receiving a final fairness opinion from Evans & Evans Inc.

A meeting of Chartwell Shareholders for the purpose of considering the Arrangement is expected to be held in early July, 2011. An information circular in connection with the Arrangement is expected to be mailed to Chartwell Shareholders in mid-June. It is expected that this transaction would be completed in July 2011.

Under the Arrangement Agreement, Chartwell has agreed that it will not solicit or initiate any discussions concerning the pursuit of any other acquisition proposals. Each of Chartwell and Amaya has also agreed to pay a termination fee of \$1.0 million to the other in certain other circumstances. In addition, Amaya has the right to match any competing superior proposal for Chartwell in the event such a proposal is made.

Following the Arrangement, the Chartwell Shares will be de-listed from the TSX, and Chartwell will continue to be run by its current management team as a wholly-owned subsidiary of Amaya.

All outstanding options to acquire Chartwell Shares will either have been exercised or surrendered for cancellation prior to the closing date of the transaction, and, subject to TSX Venture Exchange approval, Amaya will grant, as of the effective date of this proposed transaction, an aggregate 560,000 options to current officers and employees of Chartwell. The options will be granted at an exercise price based on the market price of Amaya shares at such time and will be subject to the provisions of the Amaya Stock Option Plan.

In commenting on the proposed transaction, Darold H. Parken, President and CEO of Chartwell Technology Inc. said, "The combination of Chartwell and Amaya presents a tremendous range of synergies which will benefit both companies and their customers. The resulting company will have a significantly expanded product range, delivery channel capability and market reach. We are very excited about joining forces and working with the team at Amaya to build a highly diversified international gaming company and to better serve our customers."

David Baazov, President and CEO of Amaya Gaming Group Inc. commented that: "The proposed transaction represents a significant step for Amaya in our strategy to accelerate growth in the regulated interactive gaming industry. We are delighted that both companies have recognized the strategic, operational and financial benefits of the synergies between the two companies. The combination of Chartwell and Amaya will increase shareholder value and benefit both companies, by leveraging complementary technologies and reinforcing capabilities to further penetrate target markets."

## **About Chartwell**

Chartwell specialises in the development of leading-edge games, gaming systems and platform for the regulated online casino gaming industry. Chartwell is certified or licensed to offer a range of services in all of the leading regulated online gaming markets. Chartwell is not a gaming operator; our clients own their own brands and databases entirely and exclusively. Chartwell's team of highly trained professionals is committed to delivering the highest quality software and maintaining its market edge through continuous development and unparalleled customer support.

## **About Amaya**

Amaya is engaged in the design, development, manufacturing, distribution and sale of technology based gaming solutions for the regulated gaming industry worldwide. For more information please visit [www.amayagaming.com](http://www.amayagaming.com).

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*Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements, including those with respect to the completion of the proposed business combination and the future business prospects of the combined businesses. We believe that the expectations reflected in the forward-looking statements are reasonable based upon management's current views but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. No assurance can be given that actual results, performance or achievement expressed in, or implied by these forward looking statements will occur, or if they do, that any benefits will be derived from them. The forward-looking statements are made as of the date of this release and Chartwell does not undertake any obligation to update publicly or to revise any of the forward-looking statements, except as required by securities law. In making certain forward-looking statements contained herein, we have assumed that the proposed business combination will be successfully completed on the terms described herein.*

*Our actual results could differ materially from those anticipated in these forward-looking statements as a result of factors that may include, but are not limited to: a failure to complete the proposed business combination described herein, our ability to continue to attract new licensees, the financial success and future growth of present licensees, delays in development, the impact of government regulation, licensing and laws affecting international operations, the impact of price competition, loss of business or credit risks associated with current and prospective customers, the impact of consolidations in the online gaming industry and other risks detailed from time to time in the Annual Information Forms and Management's Discussion and Analysis, for each of Chartwell and Amaya, copies of which may be found at [www.sedar.com](http://www.sedar.com).*