

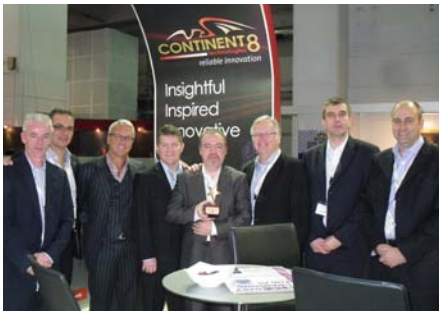
Conferences & Awards

So the months of trade show mayhem has started! As for most of you, the year started with the gentle introduction that was ICE Totally Gaming, the last year at Earls Court in London before it moves to the new venue at Excel for 2013. Hopefully we saw many of you call by our stand and catch up with our new products and services.

On the eve of ICE the Continent 8 Team gathered at the annual International Gaming Awards at the Park Lane Hotel. We were shortlisted in the Technology Supplier of the Year category, and have to admit that we were pleasantly surprised when the words "and the winner is Continent 8 Technologies" came booming through the PA.

In awarding the company the judges commented that "Continent 8 raced ahead this year of its competition. The firm should hold their head up high and bask in pride knowing that their recognised footprint within gaming is appreciated by the people to whom it matters the most."

Hopefully we can repeat this success at the eGR B2B Awards in May, fingers crossed.



During February we attended both the iGaming North America and iGaming Asia. At iGaming North America Michael Tobin, our CEO, took part on the event's Visionaries Panel where four leading industry experts shared their five-year predictions for the US eGaming market. After each of the panel members had presented their vision the audience voted on which of the

four prognosticators presented the most likely scenario. In addition Hai Ng, our CIO, lead the debate Gambling on Social Media - Best Practices and Effective Strategies, another hot topic as the Social Gaming and eGaming sectors look towards each other for differentiators.

Sticking with the US theme we are pleased to have Frank Catania's thoughts and observations on the political changes in the States in this newsletter.

We look forward to meeting you at the numerous eGaming events in the coming months.

Don't forget that if there are any topics you would like us to cover in our newsletters then please get in touch - contacting Continent 8 can be found on the back page.

London, Paris and now Milan....

No, Continent 8 is not joining the fashion world but we are increasing the reach and performance of our Global Private Network.

Continent 8 operates Europe's largest private, MPLS backbone linking gaming jurisdictions, has extended its pan European network into Italy to meet demand from gaming companies for connectivity in Italy, and to address additional diversity and resilience for Eastern Europe.

The new Milan point of presence (PoP), which goes live at the time of going to press, provides our customers with resilient, high quality

private data, video, voice and internet services. In addition this POP location through partners such as Level 3 and Tinet will result in additional resilience for gaming companies located in our Malta hosting facility addressing Central and Eastern Europe in terms of high speed internet services along with direct connectivity to London as part of the Private MPLS backbone.

With the fragmentation of eGaming licensing throughout Europe, this additional POP will act as a strategic gateway for our customers looking to target diverse European markets.

Issue 3 Spring 2012

In this issue

2 - Malta – Rising to the Challenge

3 - Customer is King –

Peter Williams - Sales Director

3 - Tech Talk – Continent 8 ready for IPv6

4 - "U.S. Department of Justice Reverses

Itself on Wire Act" – Frank Catania -

Catania Gaming Consultants

Malta Data Centre Profile

Inside this issue you will find the technical highlights and other information about our Malta data centre.

See page 2 for full story...



visit our web site by scanning this QR code.

Malta



DATA CENTRE FEATURES:

In 2001, The Lotteries and Gaming Authority (LGA) in Malta enacted the Lotteries and Other Games Act, aiming to regulate all gaming activities in Malta with the exception of land-based casinos. In April 2004, the LGA developed the Remote Gaming Regulations and in doing so, Malta established a leadership role by becoming the first EU member state to regulate remote gaming.

Since then, Malta has quickly become one of the leading hubs for the iGaming industry, licensing some of the largest operators in the sector. The LGA has to date issued in excess of 400 remote gaming licenses to over 300 operators with the sector employing some 5,000 people.

Malta was Continent 8's first market for expansion, from Montreal, with service commencing in April 2007. Prior to that, we spent years working with industry experts, the Maltese government and the LGA to understand the regulations, allowing us to better assist our customer base.

As with all our expansions, Continent 8 set up in Malta in response to a number of key customers. The initial footprint into the market was limited, but since then we have expanded every year and now have a sizeable number of customers and footprints.

We have invested heavily to connect Malta to our Private Global Network, through redundant routes, to bring enhanced service levels and resilience to our customers and to differentiate the Continent 8 Malta data centre from our competition. Recent additions to this network are covered elsewhere in this newsletter

As well as providing state-of-the-art technical solutions, Continent 8 continues to work closely with the Maltese Government and the LGA, as it does with all other jurisdictions from which the Company operates, to bring together technology and regulation in a frame work that supports our customer's business needs.

Architectural

- 300 m² of available technical space, split between 3 data halls
- 76 rack capacity, split between 2 data halls
- Raised floor in data hall

Electrical

- Fully redundant power systems
- Independent A and B, each in an N+1 reconfiguration, UPS systems
- Redundant generators backup
- High density racks

Environment

- Fully redundant cooling systems
- Temperature maintained at 21 ± 4°C
- Humidity maintained at 50 ± 10% RH

Fire Protection

- VESDA early warning system
- FM-200 fire suppression system

Telecommunications

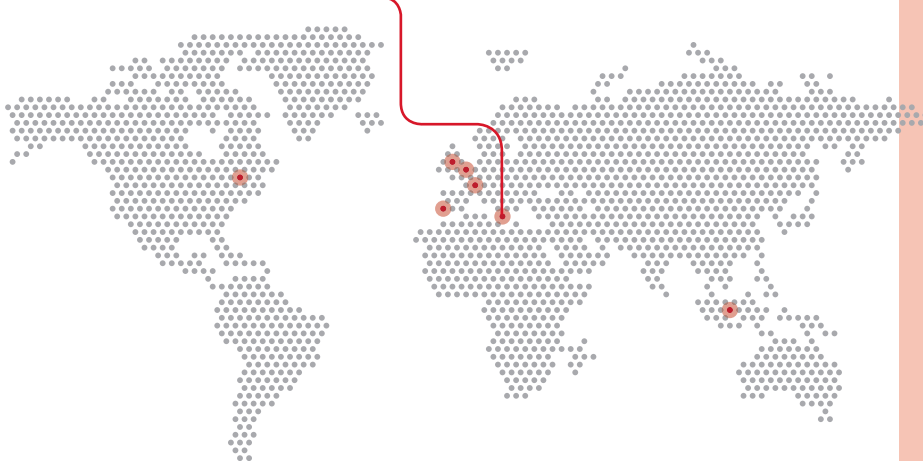
- Connected to Melita and Interoute networks
- Diversified off-island routes to London (via Milan) and Paris
- Private backbone network linking Continent 8 Malta data centre to the Isle of Man, London, Paris, Gibraltar, Montreal and Singapore
- MPLS Business Services
- DDoS attack mitigation

Technical Support

- Data Centre technicians available on a 24x7 basis
- Monitoring and support services also available from our other globally distributed Network Operation Centres

Security

- Data Centre manned on a 24x7 basis
- Electronic access control to all sensitive areas
- CCTV monitoring of perimeter area and sensitive internal areas



Customer is King

Peter Williams is Sales Director at Continent 8 Technologies. Peter has a wealth of experience with over 20 years in Senior Commercial roles in the Global communications sector with companies such as Cable & Wireless, BT Worldwide and Cisco Systems. Peter has also worked with selected start-up organisations building value and growth across several geographies and has extensive experience in implementing complex communications solutions for multi-nationals. Peter joined Continent 8 over three years ago from his most recent post where he led a team in the setting of the ICT strategic direction for Telefonica O2.



Within the gaming industry, Continent 8 Technologies has created an environment for our customers' success through our unique approach to customer focus. To understand this, it is important to go back to the beginning of the online gaming industry as we know it today. Continent 8 launched its first services to the industry in Montreal in 1997 to what were then start-up operators and networks. These customers now form some of the largest companies in the online gaming industry and as they grew over the following years, they were faced with increased service requirements, geographical expansion challenges and regulatory roadblocks. As far as Continent 8 is concerned, these challenges faced by our customers have shaped our customer focus strategy. There is no comparative services based company in the gaming industry that has lived through these challenges in the way that Continent 8 has.

In order to create effective customer focus you first need to understand your customer's business, the pain they feel, the challenges they face and work closely together in a common learning process to translate challenges into solutions, and solutions into market opportunity. Continent 8 has worked exclusively with the gaming industry since the beginning, and has expanded into multiple geographies to support our customer growth.

There is a famous reference to the new marketing director of a drill bit manufacturer who created an amazing presentation, full of colour charts and demonstrating their understanding of the market, and how they could build better drill bits. The point that was missed is that their customers do not need drill bits, they need holes. The gaming industry is no different in this respect. Our customers need to provide their customers with the most reliable and secure online experience. Our customer focus and understanding of their business, and their customer

requirements have led to the creation of a set of services that provide exactly this. From the very basic co-location service to the most advanced managed and outsourcing solution, without exception, we have developed everything in partnership and close co-operation with our customer base.

True to our origins, we have continued to focus on the needs and requirements of our customers with one of the most significant additions to our footprint - the data centre in Gibraltar (covered in more detail in issue 1). We are already providing services from this data centre to a number of the leading industry operators and software providers. The growth in Gibraltar is phenomenal and demonstrates the need for high-quality, well engineered solutions to address market needs.

Customer focus is the sole reason for our success and we continually strive to create a unique position as an end-to-end solutions provider in the gaming sector, as opposed to a services provider.

Tech Talk - Continent 8 ready for IPv6

Currently, the World Wide Web is running on Internet Protocol Version 4 or IPv4 for short. However, there are only a finite number of IPv4 addresses... 2^{32} or 4,294,967,296 to be precise... and they are running out.

Network Address Translation (NAT) has gone some way to address the situation but demand in the emerging economies for IP address space presents an enormous problem requiring an enormous solution.

The answer is IPv6, with a total of 2^{128} unique addresses or approximately 3.4×10^{38} . Continent 8 is already running a combined IPv4/IPv6 "dual stack" IP Core and has already established IPv6 connectivity with its Tier1 providers and its most important peering partners. In addition to this, we are also members of three Internet Exchanges where we can peer with other Autonomous Systems at our discretion. Customers

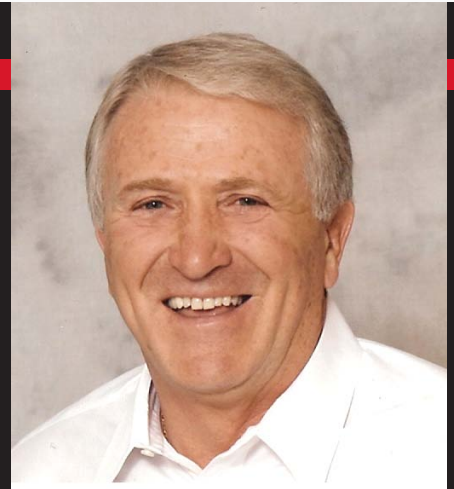
can now have separate IPv4 and IPv6 interconnections to our network or they too can run a dual IP stack, combining IPv4 and IPv6 on the same connection. Each customer will be allocated more IPv6 addresses than IPv4 addresses that are currently available in the whole of the internet, allowing them to connect to the ever growing population of internet users, wherever they are and on whatever network (mobile or fixed) they choose to connect from.

If you are interested in hosting an IPv6 service in one of our data centres with global reach, resiliency and technical support that is second to none, please contact our sales team for more information.

Angus Young
Senior Network Analyst

U.S. Department of Justice Reverses Itself on Wire Act; States Look to Legalise Online Gaming

Frank Catania is President of Catania Gaming Consultants, Inc. (CGC). CGC is a full service international gaming law consultancy involved in all aspects of land-based and Internet gaming. CGC provides a variety of services to all sectors of the gaming industry, including governments, casino operators, game manufacturers, software providers, lotteries, payment processors and the horseracing industry.



On June 24, 2011, Congressman Joe Barton (R. Texas) introduced into the 112th Congress HR 2366, the Internet Gambling Prohibition, Poker Consumer Protection, and Strengthening UIGEA Act of 2011. Informed sources claim it is basically the same bill that Senator Harry Reid had attempted unsuccessfully to have passed in December 2010 by attaching it to an unrelated budget bill during the lame duck session of the 111th Congress.

The Barton bill would legalize only online poker games in which the players play against each other. But Congress has shown little interest in the Barton bill. When the Barton bill failed to advance, Barton responded: "This is an issue that is not on everybody's list. It's not a high visibility issue."

In the U.S., certain states and territories in 2011 had enacted intrastate online gambling bills. By December 2011, Nevada had not only legalized intrastate Internet poker but had approved Internet poker regulations which should allow intrastate poker operations by September 2012. Washington, D.C. had also approved Internet gambling, but in February 2012, the D.C. city council repealed its online gambling law. Illinois, which now has an online lottery, had written the Justice Department of its intention to allow an intrastate online lottery unless it was opposed by the Justice Department. Senator Jeff Danielson of Iowa also recently introduced state legislation to authorize online gaming.

In 2011, California, which comprised about 60% of U.S. online poker, had two pending

bills which would have legalised certain online gambling. SB 40 would have legalised Texas Hold'em poker and SB 45 would have legalized more online gambling, but the bills got nowhere because of disagreements as to who should be licensed operators and concerns of some Native-Americans. By 2012, there was talk of a compromise measure.

In New Jersey, state Senator Ray Lesniak reintroduced an Internet gaming proposal, and said he expects to be able to get it through the Legislature and signed by the Governor. The Governor vetoed a similar law that was approved in the last legislative session. A New Jersey Senate committee scheduled a hearing in April to hear testimony with regard to allowing online wagering on casino games. However, the state constitution may require the question of expanded gambling to be put to voters, which would slow the process down.

Luckily, New Jersey residents approved sports betting in the state after a referendum in late 2011, and there is no indication that they would not also approve introducing Internet gaming in the state, if it comes down to a vote.

U.S. DoJ's Letter and New Position with Regard to the Wire Act

Suddenly, on December 23, 2011, the U.S. Justice Department released a letter that might become the Magna Carta for state Internet gambling.

Since the days of the Clinton administration, the Justice Department had asserted that the federal Wire Act prohibited gambling over the Internet across state lines. But in December,

the Department made public a letter issued to Illinois and New York about whether they could sell lottery tickets to out-of-state residents over the Internet and stated that the Wire Act applied "solely to sport-related gambling activities in interstate and foreign commerce."

"I think this is an important big step," said Mark Lipparelli, chairman of the Nevada Gaming Control Board. "This establishes a U.S. foundation for online gaming regulation."

However, many of the largest casino companies, such as Caesars Entertainment Corp. and MGM Resorts International, are still putting their money on a federal law. They are concerned that a single state's population - 2.6 million people, in the case of Nevada - may not be big enough to support a viable online poker sector.

The American Gaming Association also renewed its call for federal legislation. In an announcement, they said the decision "validates the urgent need for federal legislation to curb what will now be a proliferation of domestic and foreign, unlicensed and unregulated gaming websites without consistent regulatory standards and safeguards against fraud, underage gambling and money laundering."

However, right now most casinos in Nevada seem to be in the same boat as Michael Gaughan, owner of the South Point Hotel Casino. Gaughan has already hired a team to build a poker website.

"I've always been somewhat against this but if it's going to come I don't want to be left at the station," he told the *Wall Street Journal*.

Contacting Continent 8

Sales

Peter Williams
+44 1624 694608
peter@continent8.com

Nick Nally
+44 1624 694605
nick@continent8.com

Technical

North America
+1 514 461 5111
Europe
+44 1624 694611
Asia
+65 6505 9791
support@continent8.com

Headquarters

Continent 8 House
Pulrose Road, Douglas
IM2 1AL
Isle of Man
Tel. +44 1624 678 888
info@continent8.com