

For immediate release



Press release

19 October 2006

NETELLER PLC

Update on US position

Further to the Company's announcement on 12 October 2006, NETELLER Plc today announced the following update in the light of the action on 13 October 2006 by US President George W Bush to approve and sign into law the SAFE Port Act incorporating the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA" or the "Act") which includes certain provisions to prohibit "unlawful internet gambling" by restricting gambling sites from accepting certain payments from US residents.

NETELLER, a company registered outside the US, will comply with the Act and its related regulations as if it were subject to the Act's jurisdiction. This action is intended to ensure that the Company is able to continue to operate with the support of its principal commercial partners and to protect its shareholders, business partners, employees and reputation.

Various provisions of the Act, including the obligations of financial transaction providers such as NETELLER, remain unclear. This uncertainty should be largely resolved when the Secretary of the Treasury and the Board of Governors of the Federal Reserve System issue the regulations they are required to prescribe within 270 days.

In view of the importance of these issues, NETELLER has accelerated its review of the Act and all other relevant laws and pertinent developments. The Company also continues to closely monitor the regulatory situation and is determining what actions to take well before the conclusion of the 270-day rulemaking period.

In the interim, US-resident customers are able to use the NETELLER service as normal. The funds of US-resident customers are held in trust accounts and will be available for withdrawal, on demand. The ability to withdraw funds will exist regardless of the customer's location or ability to transfer to any site.

NETELLER customers not resident in the US are not affected at all by the legislative changes in the US, and the Company will continue to operate its non-US business as normal, maintaining existing customer and merchant support across all the other markets it currently serves.

NETELLER remains focused on developing its business in line with its stated strategic objectives including geographical and product diversification. The Company continues to launch localised services within the European market, most recently in Sweden and Denmark, and has plans for three further launches later this year. As well as focusing on the gaming sector outside of the US market, the Board considers

the development of additional products and services for wallet users to be integral to its diversified market strategy. We expect to share more information on these initiatives in the coming months. The Company is committed to maximising shareholder value both in the short and longer term, and will explore all possible strategic alternatives, including utilising its substantial resources, to ensure the achievement of its strategic objectives.

The Company's trading update for the third quarter will be issued on Tuesday, October 31st, 2006. In the meantime, the Company will endeavour to keep shareholders informed of any material developments as and when appropriate.

Enquiries:

NETELLER

Andrew Gilchrist, VP – Communications

+ 44 (0) 1293 555 726

Citigate Dewe Rogerson

Sarah Gestetner/Sebastian Hoyle/George Cazenove

+ 44 (0) 207 638 9571

Notes to Editors

The NETELLER Group

With over 3 million customers in 160 countries, 3,500 merchants, and over \$7 billion in annual transactions, the NETELLER Group operates the largest independent online money transfer business in the world. The Group specializes in providing innovative and instant payment services where money transfer is difficult or risky due to identity, trust, currency exchange, or distance. Being independent has allowed the Group to support thousands of retailers and merchants in many geographies and across multiple industries.

The Group is quoted on the London Stock Exchange's AIM market, with a ticker symbol of NLR. NETELLER UK Limited is authorised by the Financial Services Authority (FSA) to operate as a regulated e-money issuer. For more information about the Group visit www.netellerplc.com.