



DFNN GROUP OF COMPANIES

Via ODiSy

January 4, 2010

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure

Gentlemen:

This is to inform the Philippine Stock Exchange that DFNN was informed by email over the holidays, that the Board of Directors of Pacific Gaming Investments Pte Ltd (“PGI”) in meetings held December 30 and 31st had approved the execution of a non-binding term sheet with Straitway, Pte Ltd. (“Straitway”), a Singapore registered company.

Straitway is a wholly owned subsidiary of the Japan Gaming Development Organization (“JGDO”) and is the investment entity used by JGDO to invest into projects within the gaming industry.

Under said non-binding term sheet, Straitway, subject to due diligence, shall invest a maximum of US Dollar Seven Million (US \$ 7 Million) in primary and secondary shares of Pacific Gaming Investments Pte Ltd. The primary share investment gives a pre money valuation to PGI of US Dollar Eighty Million (US\$ 80 Million).

The investment into PGI will be used to partially fund an increase in its investment stake of Inter-Active Entertainment Solutions Technologies Inc (“IEST”), which currently operates an on-line gaming operation under authority of the Philippine Gaming and Amusements Corporation, working capital needs of PGI and other further investments in the gaming industry.

Under said term sheet, Straitway is given a period of thirty (30) days from the execution of the term sheet within which to complete its due diligence. During the same period, Straitway and PGI shall negotiate the terms of more definitive agreements implementing the terms and conditions of the term sheet.

We trust you will find the foregoing disclosure in order.

DFNN, INC.

By:


Patricia De Las Cagigas
Corporate Information Officer