

CRYPTOLOGIC LTD  
Form SC TO-C  
February 02, 2012

---

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

—————  
SCHEDULE TO  
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) or 13(e)(1) OF  
THE SECURITIES EXCHANGE ACT OF 1934

—————  
CryptoLogic Limited  
(Name of Subject Corporation (issuer))

Amaya Gaming Group Inc. (offeror)  
(Name of Filing Persons (identify status as offeror, issuer or other person))

—————  
Common Shares, No Par Value  
(Title of Class of Securities)

228906103  
(CUSIP Number of Class of Securities)

—————  
Amaya Gaming Group Inc.  
Attention: President and Chief Executive Officer  
7600 TransCanada Hwy  
Pointe-Claire, Quebec, Canada  
H9R 1C8  
(514) 744-3122  
(Name, address and telephone number of person authorized to  
receive notices and communications on behalf of filing person)

—————  
Copy to:

Christopher W. Morgan, Esq.  
Skadden, Arps, Slate, Meagher & Flom  
LLP  
222 Bay Street, Suite 1750  
Toronto, Ontario M5K 1J5  
(416) 777-4700

CALCULATION OF FILING FEE

| Transaction Valuation* | Amount of Filing Fee* |
|------------------------|-----------------------|
| Not applicable         | Not applicable        |

\* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A  
Form or Registration No.: N/A  
Filing Party: N/A  
Date Filed: N/A

Check the box if filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

2 February 2012

RECOMMENDED CASH OFFER FOR

CRYPTOLOGIC LIMITED

BY

AMAYA GAMING GROUP INC.

Further to the announcement of 15 December 2011 (the "Possible Offer Announcement") and to the announcement of 12 January 2012, the boards of Amaya Gaming Group Inc. ("Amaya"), and CryptoLogic Limited ("CryptoLogic") are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Amaya for the entire issued and to be issued ordinary share capital of CryptoLogic (the "Offer") to the extent that such ordinary shares are not already owned by Amaya.

Unless otherwise defined in this summary, capitalised terms used but not defined have the meanings set out in Appendix III to the full text of the Announcement. Any reference to the "issued share capital of CryptoLogic" assumes the exchange of all of the outstanding exchangeable shares ("Exchangeable Shares") of CryptoLogic Exchange Corporation ("CEC"), in accordance with their terms, for CryptoLogic Shares.

Summary and highlights

- Under the terms of the Offer, CryptoLogic Shareholders will receive US\$2.535 in cash for each CryptoLogic Share (the "Offer Price"). The Offer Price represents a premium of approximately 55 per cent. to the closing price of US\$1.64 per CryptoLogic Share on NASDAQ on 14 December 2011, being the last Business Day prior to the date of the Possible Offer Announcement.
- The Offer Price represents a premium of 56 per cent. and 105 per cent. to the closing price per CryptoLogic Share on the Toronto Stock Exchange ("TSX") and the London Stock Exchange, respectively, on 14 December 2011, being the last Business Day prior to the date of the Possible Offer Announcement using exchange rates of US\$0.9642 to C\$1.00 and US\$1.5486 to £1.00.
- The Offer values the issued share capital of CryptoLogic, including CryptoLogic Shares issuable upon the exercise of CryptoLogic Options, at US\$35,817,144.
- Amaya holds 971,629 CryptoLogic Shares representing approximately 7 per cent. of the issued share capital of CryptoLogic at the date of the Announcement (the "Amaya Shares").

A currency exchange facility will be made available to CryptoLogic Shareholders under which they will be able to elect to receive their consideration in Canadian dollars or pounds sterling at the applicable Bloomberg Rate on the latest reasonably practicable date for fixing

---

such rate prior to the relevant payment date. No commission will be charged for using this facility.

- Amaya has received irrevocable undertakings to accept the Offer from certain CryptoLogic Shareholders outside the United States in respect of, in aggregate, 1,954,421 CryptoLogic Shares which they hold, representing approximately 14.14 per cent. of the issued share capital of CryptoLogic at the date of this Announcement.
- The CryptoLogic Board, which has been so advised by Deloitte Corporate Finance, consider the terms of the Offer to be fair and reasonable. In providing advice to the CryptoLogic Board, Deloitte Corporate Finance has taken into account the commercial assessments of the CryptoLogic Board.
- The CryptoLogic Board has unanimously determined that the Offer is fair and reasonable and in the best interests of CryptoLogic. Accordingly, the CryptoLogic Board intends to unanimously recommend that CryptoLogic Shareholders accept the Offer, as those CryptoLogic Directors who hold an interest in CryptoLogic Shares have irrevocably undertaken to do (or procure to be done) in respect of their own entire beneficial holdings comprising, in aggregate, 11,000 CryptoLogic Shares (representing, in aggregate, approximately 0.08 per cent. of the issued share capital of CryptoLogic at the date of this Announcement). These irrevocable undertakings will remain binding in the event of a competing offer being made for CryptoLogic and will only cease to be binding in the event that the Offer Document is not published within 28 days of the Announcement or if the Offer lapses or is withdrawn.
- Subject to the Offer being declared wholly unconditional and to applicable law and regulation, Amaya intends to procure that CryptoLogic applies to the appropriate regulators to cancel the listing of, the trading of and to delist (as applicable) the CryptoLogic Shares from the Official List, the Main Market, the TSX and NASDAQ.
- Subject to receiving acceptances or otherwise acquiring or contracting to acquire 90 per cent. or more in value of all the CryptoLogic Shares to which the Offer relates and of the voting rights of those CryptoLogic Shares, Amaya intends to exercise its rights under the Companies Law (Guernsey) and/or CryptoLogic's Memorandum and Articles to compulsorily acquire any remaining CryptoLogic Shares on the same terms as the Offer.
- Working alongside Amaya, CryptoLogic and CEC will make arrangements with Equity Financial Trust Company, the Canadian transfer agent of CryptoLogic and CEC, to

allow Exchangeable Shareholders to provide: (i) a notice of conditional exchange (retraction) to CEC in respect of their Exchangeable Shares; and (ii) anticipatory instructions to tender any CryptoLogic Shares issued upon the conditional exchange (retraction) of Exchangeable Shares to the Offer. A conditional exchange (retraction) of Exchangeable Shares will be effective only upon the Offer becoming wholly unconditional. The Offer Price represents a premium of approximately 72 per cent. to the closing price per Exchangeable Share on the TSX on 14 December 2011, being the last Business Day prior to the date of the Possible Offer Announcement using an exchange rate of US\$0.9642 to C\$1.00.

Amaya is engaged in the design, development, manufacturing, distribution and sale of technology based gaming solutions for the regulated gaming industry worldwide. Its common shares are listed on the TSX Venture Exchange.

---

- CryptoLogic offers an extensive range of internet gaming solutions in multiple currencies and languages and provides e-cash management, marketing support and 24/7 customer care.
- The Offer will be conditional on, amongst other things, acceptances being received in respect of shares representing more than 50 per cent. of the issued share capital of CryptoLogic.
- The Offer Document, the Form of Acceptance and any other documents required by applicable law, will be posted to CryptoLogic Shareholders and, for information only, to Exchangeable Shareholders and CryptoLogic Option Holders as soon as practicable and in any event is expected to be posted by no later than 1 March 2012, unless otherwise agreed by the Panel. Exchangeable Shareholders will also receive additional information regarding the provision of notices of conditional exchange (retraction) and anticipatory instructions to tender.

Commenting on the Offer, David Baazov, President and CEO of Amaya said:

“We believe we share many of the same fundamental values and business philosophies as CryptoLogic and we are excited about the opportunity to work in partnership with its management and employees. We are also excited about the opportunity to integrate CryptoLogic’s expertise, capabilities and relationships with our existing worldwide operations. We look forward to completing the acquisition of CryptoLogic as another important step in our international expansion strategy to deliver leading edge gaming solutions to our expanding global client base of regulated gaming operators and governments.”

Commenting on the Offer, David Gavagan, Chairman and Interim CEO of CryptoLogic said:

“The CryptoLogic Board is pleased to have agreed terms with Amaya. We consider that the Offer represents an attractive premium to the share price of CryptoLogic prior to the announcement of a possible offer by Amaya in December 2011.”

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement and the appendices to it. The Offer will be made subject to the conditions and certain further terms which are set out in Appendix I to this Announcement and the full conditions and further terms to be set out in the Offer Document and (in respect of CryptoLogic Shares held in certificated form) in the Form of Acceptance. Certain capitalised terms used in this Announcement are defined in Appendix III.

Enquiries

Amaya:

David Baazov, President and CEO  
Daniel Sebag, CFO

Tel: +1 514 744 3122

Canaccord Genuity (Financial Adviser to Amaya):

Rory O'Sullivan / Kit Stephenson  
Neil Johnson

Tel: +44 (0)207 050 6500  
Tel: +1 416 869 7224

---



CryptoLogic:

David Gavagan, Chairman and Interim CEO      Tel: +353 (0)1 234 0400  
Huw Spiers, Group CFO and Group Head of  
Operations

Deloitte Corporate Finance (Financial Adviser to CryptoLogic):

Jonathan Hinton                                      Tel: +44 (0)207 936 3000  
David Smith

Luther Pendragon (PR adviser to CryptoLogic):

Neil Thapar    Tel: +44 (0)20 7618 9100  
Alexis Gore

A copy of the Announcement and the irrevocable undertakings will be published on Amaya's website at [www.amayagaming.com/cryptologic](http://www.amayagaming.com/cryptologic) and on CryptoLogic's website at <http://offer.cryptologic.com> by no later than 12.00 noon London time (7.00 a.m. Toronto time) on 3 February 2012.

Further information

Appendix I sets out the conditions and certain further terms of the Offer.

Appendix II contains the sources and bases of certain information used in this summary and the following Announcement.

Appendix III contains definitions of certain terms used in this summary and the following Announcement.

Important Notice

Canaccord Genuity, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Amaya and no one else in connection with the Offer and other matters referred to in this Announcement and will not be responsible to any person other than Amaya for providing the protections afforded to clients of Canaccord Genuity nor for giving advice in relation to the Offer or any other matter or arrangement referred to in this Announcement.

Deloitte Corporate Finance is acting exclusively for CryptoLogic and no one else in connection with the Offer and other matters referred to in this Announcement and will not be responsible to any person other than CryptoLogic for providing the protections afforded to clients of Deloitte Corporate Finance nor for giving advice in relation to the Offer or any other matter or arrangement referred to in this Announcement. Deloitte Corporate Finance is a division of Deloitte LLP, which is authorised and regulated in the United Kingdom by the FSA in respect of regulated activities.

This Announcement, although required under the Code, is for information purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or an invitation to subscribe for or purchase any securities or the solicitation of an offer to purchase or subscribe for any securities in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely through the Offer Document, the Form of Acceptance and any other documents required by applicable law, which will contain the full terms and conditions of the Offer (including details on how to accept the Offer). Any response in relation to the Offer should be made only on the basis of the information

Edgar Filing: CRYPTOLOGIC LTD - Form SC TO-C

contained in the Offer Document, the Form of Acceptance or any other document by which the Offer is made. CryptoLogic Shareholders are advised to read carefully the formal

---

documentation in relation to the Offer once it has been despatched. The summary and the Announcement do not constitute a prospectus or prospectus equivalent document.

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and publication of this Announcement shall not give rise to any implication that there has been no change in the facts set forth in this Announcement since such date. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Amaya or the Amaya Group or CryptoLogic or the CryptoLogic Group except where otherwise stated.

This Announcement has been prepared for the purpose of complying with the Code, the laws of Guernsey, Canadian securities laws, and United States securities laws and the information disclosed is not the same as would have been disclosed if this Announcement had been prepared in accordance with the laws outside such jurisdictions. Unless otherwise determined by Amaya or required by the Code and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including, without limitation, by means of telephone, facsimile, telex, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, unless otherwise determined by Amaya or required by the Code and permitted by applicable law and regulation, copies of this Announcement and any other related document are not being, and must not be, directly or indirectly, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from such jurisdictions as doing so may make invalid any purported acceptance of the Offer by persons in any such jurisdiction.

The availability of the Offer to persons not resident in the United Kingdom, Guernsey, Canada and the United States may be affected by the laws of the relevant jurisdiction. Persons who are subject to the laws of any jurisdiction other than the United Kingdom, Guernsey, Canada and the United States should obtain professional advice and observe any applicable requirements.

#### Dealing Disclosure Requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any



paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

#### Opening Position Disclosure

Amaya has made an Opening Position Disclosure setting out the details required to be disclosed by it under Rule 8.1(a) of the Code.

#### Market Purchases

To the extent permitted by applicable law and regulation in the UK, Guernsey, Canada and the United States, Amaya or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, CryptoLogic Shares outside the United States, other than pursuant to the Offer, during the Offer Period. These purchases may occur only in the open market at prevailing prices and otherwise in accordance with applicable law. Any information about such purchases will be disclosed as required under applicable law.

#### Cautionary Note Regarding Forward-Looking Statements

This Announcement may contain certain forward-looking statements with respect to the financial condition, results of operations and business of CryptoLogic or Amaya or the CryptoLogic Group and certain plans and objectives of the CryptoLogic Board and the Amaya Board. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the CryptoLogic Board and the Amaya Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking



statements. These forward-looking statements are not guarantees of future financial performance. Except as expressly provided in this Announcement, they have not been reviewed by the auditors of CryptoLogic or Amaya. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements including that there can be no certainty that the conditions to the Offer will be satisfied or where permitted waived. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to CryptoLogic or Amaya or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Announcement. CryptoLogic and Amaya assume no obligation to update or correct the information contained in this Announcement except as required by applicable law or regulation.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of the Amaya Group or the CryptoLogic Group following completion of the Offer unless otherwise stated.

#### Overseas CryptoLogic Shareholders

Unless otherwise determined by Amaya or required by the Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Offer to CryptoLogic Shareholders who are not resident in the United Kingdom, Guernsey, Canada or the United States may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom, Guernsey, Canada or the United States should inform themselves of, and observe, any applicable requirements.

#### Notice to US investors

The Offer is for the securities of a company organised under the laws of Guernsey and is subject to the procedure and disclosure requirements of the United Kingdom, Guernsey and Canada, which are different from those of the United States. The Offer is being made in the United States pursuant to Sections 14(d) and 14(e) of, and Regulations 14D and 14E under, the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to the exemptions provided by Rule 14d-1(d) under the Exchange Act, and otherwise in accordance with the requirements of the Code. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with





respect to market purchases, withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and laws.

This Announcement is for informational purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. This Announcement also does not constitute a Solicitation/ Recommendation Statement under the rules and regulations of the SEC. The Offer will be made solely by means of an Offer Document, the Form of Acceptance accompanying the Offer Document and any other documents required by applicable law, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. In the United States, Amaya will file with the SEC a Tender Offer Statement on Schedule TO containing the Offer Document and other related documentation and CryptoLogic will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 on or about the date the Offer Document is mailed to CryptoLogic Shareholders.

Free copies of the Schedule TO, the Schedule 14D-9 and the other related documents to be filed by Amaya or CryptoLogic in connection with this Offer will be available on the SEC's website at <http://www.sec.gov> from the date the Offer Document is mailed to CryptoLogic Shareholders. The Offer Document, Form of Acceptance accompanying the Offer Document and any other documents required by applicable law will be made available to all CryptoLogic Shareholders, Exchangeable Shareholders and CryptoLogic Option Holders at no charge to them. CryptoLogic Shareholders are advised to read the Offer Document and the accompanying Form of Acceptance when they receive them because they will contain important information. CryptoLogic Shareholders in the United States are also advised to read the Tender Offer Statement and the Solicitation/Recommendation Statement because they will contain important information.

To the extent permitted by applicable law, in accordance with, and to the extent permitted by, the Code and normal UK market practice and Rule 14e-5 under the Exchange Act, subject to the exemptions provided by Rule 14d-1(d) under the Exchange Act, Amaya or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, CryptoLogic Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about any such purchases will be publicly disclosed in accordance with applicable law in the United Kingdom and the United States.

Each US shareholder of CryptoLogic Shares is urged to consult with his independent professional adviser regarding any acceptance of the Offer.

No offer to acquire securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by use of the mails, any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of any country in which such offer may not be made other than: (i) in accordance with the securities laws of such country, or (ii) pursuant to an available exemption from such requirements.

It may be difficult for US holders of CryptoLogic securities to enforce their rights under and any claim arising out of the US federal securities laws, since Amaya and CryptoLogic are located outside of the United States, and some or all of their officers and directors may be resident outside of the United States. US holders of CryptoLogic securities may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws.



Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgment.

#### Publication on Website and Availability of Hard Copies

A copy of this Announcement and copies of irrevocable undertakings will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Amaya's website at [www.amayagaming.com/cryptologic](http://www.amayagaming.com/cryptologic) and on CryptoLogic's website at <http://offer.cryptologic.com> by no later than 12.00 noon London time (7.00 a.m. Toronto time) on 3 February 2012. For the avoidance of doubt, neither the content of the websites referred to in this Announcement nor the content of any website accessible from hyperlinks on such websites is incorporated into or forms part of this Announcement.

You may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement) by contacting Canaccord during business hours on +44 (0)207 050 6500 or by submitting a request in writing to Canaccord at Cardinal Place, 80 Victoria Street, 7th Floor, London, SW1E 5JL, United Kingdom. It is important for you to note that unless you make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

#### Information relating to CryptoLogic Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by CryptoLogic Shareholders, persons with information rights and other relevant persons for the receipt of communications from CryptoLogic may be provided to Amaya during the Offer Period as required under Section 4 of Appendix IV of the Code.

#### Number of Relevant Securities in Issue

In accordance with Rule 2.10 of the Code, CryptoLogic confirms that it has 12,977,440 CryptoLogic Shares in issue, listed on the Official List and admitted to trading on the Main Market of the London Stock Exchange (CRP), on the TSX (CRY) and on NASDAQ (CRYP). The ISIN reference for these securities is GG00B1W7FC20. CryptoLogic further confirms that it has one Special Voting Share in issue, pursuant to which holders of the Exchangeable Shares are entitled to exercise certain voting rights in and entitled to receive dividends from CryptoLogic (see below).

In addition, CEC, an indirect subsidiary of CryptoLogic has 841,611 Exchangeable Shares in issue admitted to trading on the TSX (CXY). The Exchangeable Shares are, as nearly as practicable, the economic equivalent of CryptoLogic Shares, participating equally in voting and dividends with CryptoLogic Shares. No additional Exchangeable Shares have been or will be issued. The Exchangeable Shares are not registered under the Exchange Act.

**IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKET ACT 2000 (AS AMENDED) IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.**



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

2 February 2012

RECOMMENDED CASH OFFER FOR

CRYPTOLOGIC LIMITED

BY

AMAYA GAMING GROUP INC.

1. Introduction

Further to the announcement of 15 December 2011 (the "Possible Offer Announcement") and to the announcement of 12 January 2012, the boards of Amaya Gaming Group Inc. ("Amaya"), and CryptoLogic Limited ("CryptoLogic") are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Amaya for the entire issued and to be issued ordinary share capital of CryptoLogic (the "Offer") to the extent that such ordinary shares are not already owned by Amaya.

Unless otherwise defined in this Announcement, capitalised terms used but not defined have the meanings set out in Appendix III to this Announcement. Any reference to the "issued share capital of CryptoLogic" assumes the exchange of all of the outstanding exchangeable shares ("Exchangeable Shares") of CryptoLogic Exchange Corporation ("CEC"), in accordance with their terms, for CryptoLogic Shares.

2. The Offer

The Offer, which will be on the terms and subject to the conditions set out in Appendix I to this Announcement and in the Offer Document when issued and, in respect of CryptoLogic Shares held in certificated form, in the Form of Acceptance, will be made by Amaya on the basis of US\$2.535 in cash for each issued and to be issued CryptoLogic Share.

The consideration of US\$2.535 in cash for each such CryptoLogic Share represents a premium of approximately:

- 55 per cent. to the closing price of US\$1.64 per CryptoLogic Share on NASDAQ on 14 December 2011, being the last Business Day prior to the date of the Possible Offer Announcement; and
- 59 per cent. to the volume weighted average closing price of approximately US\$1.59 per CryptoLogic Share on NASDAQ for the 20 days prior to the date of the Possible Offer Announcement.

Edgar Filing: CRYPTOLOGIC LTD - Form SC TO-C

The Offer Price represents a premium of 56 per cent. and 105 per cent. to the closing price per CryptoLogic Share on the TSX and the London Stock Exchange, respectively, on 14 December 2011, being the last Business Day prior to the date of the Possible Offer Announcement using exchange rates of US\$0.9642 to C\$1.00 and US\$1.5486 to £1.00.

---

A currency exchange facility will be made available to CryptoLogic Shareholders under which they will be able to elect to receive their consideration in Canadian dollars or pounds sterling at the applicable Bloomberg Rate on the latest reasonably practicable date for fixing such rate prior to the relevant payment date. No commission will be charged for using this facility.

Full details of the conditions and certain further terms to which the Offer is subject are set out in Appendix I of this Announcement.

The Offer values the issued share capital of CryptoLogic, including CryptoLogic Shares issuable upon the exercise of CryptoLogic Options, at US\$35,817,144.

The Offer will be extended, subject to its terms and conditions, to all the CryptoLogic Shares which are unconditionally allotted or issued on the date on which the Offer is made and to such further CryptoLogic Shares (if any) unconditionally issued at or prior to the Record Date. The Offer will not be made in respect of the 971,629 CryptoLogic Shares already held by Amaya, representing approximately 7 per cent. of the issued share capital of CryptoLogic at the date of this Announcement.

Pursuant to the Offer, the CryptoLogic Shares will be acquired on the basis that: (i) the disposing party has the right to dispose thereof; (ii) the disposing party will do all it reasonably can to give the title it purports to give; (iii) they are whole; (iv) they are fully paid; and (v) they are free from all liens, charges, equitable interests, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any), announced, declared, made or paid on or after the date of this Announcement.

### 3. Recommendation

The CryptoLogic Board, which has been so advised by Deloitte Corporate Finance, considers the terms of the Offer to be fair and reasonable. In providing advice to the CryptoLogic Board, Deloitte Corporate Finance has taken into account the commercial assessments of the CryptoLogic Board.

Accordingly, the CryptoLogic Board intends to unanimously recommend that CryptoLogic Shareholders accept the Offer, as those CryptoLogic Directors who hold an interest in CryptoLogic Shares have irrevocably undertaken to do (or procure to be done) as described in paragraph 7 below.

These irrevocable undertakings will remain binding in the event of a competing offer being made for CryptoLogic and will only cease to be binding in the event that the Offer Document is not published within 28 days of the Announcement or if the Offer lapses or is withdrawn.

Deloitte Corporate Finance has given and not withdrawn its consent to the publication of this Announcement with the inclusion of the recommendation and opinions provided by Deloitte Corporate Finance in the form and context in which they are included.

### 4. Background to and Reasons for the Offer