



OPTIMAL GROUP INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics (the "Code") embodies the commitment of Optimal Group Inc. and its subsidiaries (the "Company") to conduct our business in accordance with all applicable laws, rules and regulations and the highest ethical standards. All employees and members of our Board of Directors are expected to adhere to those principles and procedures of this Code that apply to them. Section I of this Code shall be our code of ethics for Senior Financial Officers (as defined below) under Section 406 of the Sarbanes-Oxley Act of 2002 and related rules.

The Code should be read in conjunction with our Employee Manual (Policies and Procedures).

SECTION I

A. Compliance and Reporting

Any employee or director who becomes aware of any existing or potential violation of this Code should promptly notify, in the case of employees, the Vice-President, Administration and Human Resources and, in the case of directors and the Chief Executive Officer, the Chief Financial Officer and the Principal Accounting Officer (the "Senior Financial Officers"), the Company's General Counsel (we refer to such contacts as "Appropriate Ethics Contacts"). An employee or director who is unsure of whether a violation has occurred should discuss the situation with an Appropriate Ethics Contact. All reports will be treated confidentially, and it is the Company's policy not to allow retaliation against anyone for reports of misconduct made in good faith.

B. Conflicts of Interest

A "conflict of interest" occurs when an individual's personal interest improperly interferes with the interests of the Company. Conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Company. In particular, an employee or director must never use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself, for his or her family members, or for any other person.

Any employee or director who is aware of any situation that is or could reasonably be expected to give rise to a conflict of interest must discuss the matter promptly with an Appropriate Ethics Contact.

C. Public Disclosure

Information in the Company's public communications, including SEC filings and communications with shareholders, must be full, fair, accurate, timely and understandable. All employees and directors who are involved in the Company's disclosure process, including the Senior Financial Officers, are expected to act in furtherance of this policy. In particular, these individuals are required to be familiar with the disclosure requirements for the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. Additionally, any employee or director with a supervisory role in the Company's disclosure process is required to discharge his or her responsibilities diligently.

D. Compliance with Laws, Rules and Regulations

Compliance with all applicable governmental laws, rules and regulations is essential to conducting our business. Each employee and director is expected to adhere to the standards and restrictions imposed by those laws, rules and regulations. Guidance as to certain of the laws, rules and regulations that apply to the Company's activities may be found in the Employee Manual (Policies and Procedures).

It is both illegal and against Company policy for any employee or director who is aware of material nonpublic information relating to the Company, any of its customers, suppliers, service providers or other business partners, or any other company to buy or sell any securities of those issuers or to pass on the information to anyone else under circumstances that suggest the other person may buy or sell securities based on the information.

Transactions that may be necessary or justifiable for independent reasons, including emergency expenditures and transactions planned before the employee or director learned the material information, are not exceptions. Even the appearance of an improper transaction must be avoided to prevent any potential risk to the Company or the individual. Violations of insider trading laws may be punishable by fines or imprisonment.

Any employee or director who is uncertain about the legal rules involving his or her purchase or sale of any Company securities or any other securities should consult with an Appropriate Ethics Contact before making any such purchase or sale.

E. Accountability

Employees and directors will be held accountable for their adherence to this Code of Ethics. Failure to observe the terms of this Code of Ethics may result in disciplinary action, including termination of employment or removal from the Board of Directors. Violations of this Code of Ethics may also constitute violations of law and may result in civil or criminal penalties for employees, directors and the Company.

SECTION II

A. Corporate Opportunities

Employees and directors are expected to advance the Company's legitimate business interests when the opportunity to do so arises. Employees and directors may not take for themselves (or direct to a third party) a business opportunity that is discovered through the use of

Company property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees and directors are prohibited from using corporate property, information or position to compete with the Company.

The line between personal and Company benefits is often difficult to draw, and sometimes both personal and Company benefits may be derived from certain activities. If an employee or director has any questions that a personal use of Company property or services may not solely be for the benefit of the Company, he should discuss the matter with the Appropriate Ethics Contact.

B. Confidentiality

In carrying out the Company's business, employees and directors often learn confidential or proprietary information about the Company, its customers, suppliers, business partners, or other third parties. Employees and directors must respect and support the confidentiality of such information, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed.

C. Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through illegal or unethical business practices. Stealing proprietary information, possessing or using trade secrets obtained without the owners consent, or inducing such disclosures by past or present employees of other companies is prohibited.

Each employee and director is expected to deal fairly with the Company's service providers, suppliers, competitors and employees. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

D. Equal Employment Opportunity and Harassment

Our personnel decisions are made on the basis of merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in our standard of conduct. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment. Employees who experience or observe work-related discrimination, harassment or similar problems are urged to report them to an Appropriate Ethics Contact.

SECTION III

WAIVERS OF THIS CODE

The Company may waive certain provisions of this Code when deemed absolutely appropriate under the circumstances. Any employee or director who believes that a waiver may be called for should discuss the matter with an Appropriate Ethics Contact. Waivers for executive officers (including Senior Financial Officers) or directors of the Company may be made only by the Board of Directors or a committee of the Board. Waivers will be disclosed as required under applicable SEC and stock exchange rules.
