Gala-Net Inc. enters licensing agreement for operation of Allods Online in the U.S.

Tokyo, Japan – May 7, 2009 – Gala Inc. today announced that California-based Gala-Net Inc., a consolidated subsidiary of Gala Inc., has entered a licensing agreement with Moscow-based Nival Online LLC. for the provision of the online game Allods Online on its U.S. game portal site gPotato.com.

1. Overview of Allods Online
Recently, Gala Networks Europe Ltd., a Dublin-based consolidated subsidiary, entered a similar licensing agreement for operation of Allods Online in Europe. Allods Online is an adaptation of ALLODS, a hugely successful role-playing game that was published in 1997, and sold more than 1.2 million copies in Russia alone. Allods Online, developed by Nival Online LLC, is the first MMORPG to be developed in Russia.

2. Overview of Nival Online LLC.

<table>
<thead>
<tr>
<th>Trade name</th>
<th>Nival Online LLC.</th>
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</thead>
<tbody>
<tr>
<td>Website</td>
<td><a href="http://www.nivalonline.com/eng/about/index.shtml">http://www.nivalonline.com/eng/about/index.shtml</a></td>
</tr>
<tr>
<td>Address</td>
<td>10 bldg 1, 1st Volokolamsky proezd Moscow 123060 Russia</td>
</tr>
<tr>
<td>CEO</td>
<td>Sergey Orlovskiy</td>
</tr>
<tr>
<td>Established</td>
<td>August 2006</td>
</tr>
<tr>
<td>Business domain</td>
<td>Development and operation of online games</td>
</tr>
</tbody>
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3. Overview of the contract
The contract was signed on April 30, 2009 and expires four years after the commercial service commences. Both the open beta test and commencement of the full commercial service are planned for Fall 2009.
4. Future Efforts

The Gala Group will continue to provide superior games to gamers around the world, both those developed within the group and licensed from other developers.

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