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Datatrace^{DNA}
Digital Nanoparticle Authentication

VendingData™ and DatatraceDNA Sign Exclusive Contract for Counterfeit Nanotechnology Security Protection in the Gaming Industry

LAS VEGAS, Nevada -(PRNewsWire)- November XX, 2006-VendingData™ Corporation (AMEX: VNX), announced today that it has signed an agreement with Australia-based Datatrace DNA PTY LTD (“Datatrace”) that grants VendingData exclusive global rights outside of China for the gaming industry application of DataTraceDNA. VendingData will incorporate the DataTraceDNA counterfeit protection into its gaming chip manufacturing process. The agreement also allows VendingData to distribute the special digital readers and the DataTraceDNA products to the gaming industry globally.

DataTraceDNA, referred to as a “molecular barcode”, is a groundbreaking approach to counterfeit security protection through nanotechnology that is invisibly embedded within the molecular structure of a manufactured product. The complexity of the barcode makes it extremely difficult to decipher, preventing counterfeiters from reproducing the authenticity code. DataTraceDNA technology is a Level 3 security system that is added during the manufacturing process. This creates an invisible, forensic marker only known to the brand owner that can be authenticated by logistics firms, customs border control, distributors, retailers, customers and audit teams. When the material is scanned by a portable digital Reader, the unique emission spectrum is detected and referenced to the onboard database which in turn displays a meaningful code such as “Casino X USD500.”

DatatraceDNA has a commercialized science developed by the CSIRO, Australia’s government owned research and development organization. The CSIRO has been operating for eighty years and is one of the most highly regarded research institutions around the world. CSIRO is a 50% partner in DatatraceDNA Pty Ltd. An important difference between DatatraceDNA and other competing technologies is that the patented inventions are owned by a national government statutory authority. This is a very important consideration for companies selecting a strategic technology for IP protection, as private companies can have complex and possibly vague IP ownership. Datatrace will supply the material in the form of Masterbatch for incorporation into the VendingData casino chip manufacturing process. Each Masterbatch will contain up to 20 multi-

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DatatraceDNA Pty Ltd is a joint venture company of DataDot Technology Ltd and the CSIRO
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level codes, which will enable authentication of different denominations of casino chips.

“The implementation of DataTraceDNA into gaming chips will allow casino operators a unique opportunity to manage forgery activities and enable authentication of the chip for its entire life span. The inclusion of this technology was critical in the decision made by Galaxy Casinos in Macau in their selection of VendingData’s Dolphin casino chip. This technology can be applied to any kind of chip or plaque, with or without RFID. In the case of the RFID casino chip, we are adding an additional layer of security. Should the RFID malfunction, whether due to electronic failure or tampering, the casino is still able to validate the chips authenticity,” commented Mark Newburg, CEO of VendingData Corporation. “Certainly chip application for DataTraceDNA technology is just one opportunity in the gaming industry and offers us additional product pricing options. VendingData and DataTrace have agreed to work together to pursue a Strategic Partnership relationship further exploring other technologies that can add value to the industry.”



Ian Allen, CEO and co-founder of DatatraceDNA parent company, DataDot Technology, along with his co-founder and President of DataDot USA, Brent McLaws, have many years of experience in Intellectual Property and asset protection industries. Mr Allen said, “Every year companies lose millions of dollars from their designs & products being illegally replicated and sold fraudulently, in addition, costs associated with warranties for counterfeit products or parts further add to a company’s losses. Our business is all about protecting our customers valuable Intellectual Property and assets. Partnering with VendingData will enable DatatraceDNA to supply the strongest possible levels of protection to what is effectively a form of currency. In my experience companies must start thinking about protecting their products the same way central banks think about protecting their bank notes. This means multiple forms of protection that are each complimentary and together provide the best possible protection.”

About VendingData Corporation

VendingData Corporation is a Las Vegas-based developer, manufacturer and distributor of innovative products for the gaming industry. The company’s products include the Deck Checker™, PokerOne® and RandomPlus® shuffler lines. VendingData’s newest innovative products include the ChipWasher™ and high-frequency Dolphin RFID casino chips. The company’s customers include mega-gaming corporations such as Caesars Entertainment, MGM Mirage, Station Casinos, and Boyd Gaming, major casinos such as The Venetian, Foxwoods Resort Casino, and the world’s largest poker room, the Commerce Casino. International. Customers include casinos in Argentina, China, Columbia, Korea, Macau, Malaysia, Peru, United Kingdom, and Uruguay. Visit the VendingData Web site at <http://www.vendingdata.com>.

About DatatraceDNA Pty Ltd

Created in a joint venture partnership with the CSIRO and DataDot Technology, DatatraceDNA offers a groundbreaking approach to counterfeit security protection through nanotechnology that is invisibly embedded within the molecular structure of a manufactured product. Once it is part of the manufacturing process, our technology creates a forensic

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marker that can be authenticated by logistics firms, customs border control, distributors, retailers, consumers and audit teams for the lifespan of the product and beyond. DatatraceDNA is a 50/50 joint venture of CSIRO and DataDot Technology Ltd (“DDT”). DDT is a global leader in the development of asset-based identification, having developed four leading-edge identification technologies that allow assets, and their component parts, to be uniquely marked and identified. It’s akin to creating a unique asset-based DNA for products. DDT’s asset identification technologies have wide product application, and the potential to penetrate global markets in the automotive, marine, clothing and industrial materials sectors. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is one of the top ranked research institutions in the world and is a leader in the rapidly growing field of nanotechnology. Backed by the Australian federal government, CSIRO research helps to create innovative and competitive industries, ensure the growth of a technologically advanced society and maintain healthy environments and lifestyles. The CSIRO is involved in more than 740 current or recently completed research activities, working with leading research organizations and firms in more than 85 countries. For more information visit www.datatraceDNA.com.



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