

CHARTWELL TECHNOLOGY INC.
Suite 400, Chartwell House
750 – 11 Street SW
Calgary, AB T2P 3N7

October 25, 2006

Confidential

Parlay Entertainment Inc.
2305 Wyecroft Road
2nd Floor
Oakville, Ontario L6L 6R2

Attention: Mr. Scott F. White
President and Chief Executive Officer

Dear Sirs:

**Re: Termination of Letter of Intent Regarding Proposed Business Combination of
Chartwell Technology Inc. and Parlay Entertainment Inc.**

Through this letter agreement, we wish to set forth our mutual agreement regarding the termination of the letter of intent dated August 29, 2006 and entered into August 30, 2006, between Chartwell Technology Inc. (“**Chartwell**”) and Parlay Entertainment Inc. (“**Parlay**”), as amended (the “**Letter of Intent**”).

1. Chartwell and Parlay agree to terminate the business combination contemplated by the Letter of Intent and, subject to the provisions of paragraph 2 herein, each of Chartwell and Parlay release each other from any further obligations, claims or demands arising thereunder. The parties further agree that this agreement shall serve as written notice of termination of the confidentiality agreement entered into by Parlay and Chartwell concurrent with the Letter of Intent.
2. To achieve a more equitable sharing of the costs incurred by the parties in connection with the proposed business combination prior to termination, Chartwell hereby agrees to pay the sum of CDN \$75,861 to Parlay in immediately available funds.
3. This agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by facsimile transmission.

Please indicate your agreement with the foregoing by signing below.

CHARTWELL TECHNOLOGY INC.

Per: Signed "Darold H. Parken"

Title President and Chief Executive Officer

Agreed to and accepted this _____ day of October, 2006.

PARLAY ENTERTAINMENT INC.

Per: Signed "Scott F. White"

Title President and Chief Executive Officer