

FOR IMMEDIATE RELEASE

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GigaMedia licenses cash-wager Mahjong to online entertainment leader Carmen Media Group

Hong Kong, December 22, 2006 – GigaMedia Limited (“GigaMedia” or the “Company”) (NASDAQ: GIGM) announced today that it has licensed its real money MahJong and other Asian game software to the Carmen Media Group, a global leader in online entertainment.

The Carmen Media Group operates a portfolio of top online entertainment sites worldwide and is licensed in Gibraltar.

Under the terms of the non-exclusive license, Carmen Media will have the right to offer GigaMedia’s MahJong and other Asian game software on a real money basis.

About GigaMedia

GigaMedia Limited (Singapore registration number: 199905474H) is a major provider of online entertainment software and services. GigaMedia develops software for the online entertainment markets, including the global online gaming market. GigaMedia’s FunTown game portal is a leading Asian casual games portal and the world’s largest online MahJong game site in terms of revenue. GigaMedia also operates a broadband ISP providing Internet access services to consumers and corporate subscribers in Taiwan. More information on GigaMedia can be obtained from www.gigamedia.com.tw.

About Carmen Media Group

The Carmen Media Group is a leading global entertainment group. Formed in 2002 out of the Demmy Group of companies and licensed from Gibraltar to operate casinos, sportsbooks and multiplayer poker in the

online domain, the Carmen Media Group is committed to consistently deliver a great entertaining, gaming and betting experience, supported by the most exciting promotions within the security of the fairest and highest regulated environment. The Carmen Media Group maintains a portfolio of entertainment brands, consisting of five online casinos, three online multiplayer poker rooms and two online sportsbooks which form part of Belle Rock Entertainment as well as its European focused brand Betway. Each brand has its own individual personality and environment, and shares the Carmen Media Group commitment to provide the most entertaining, rewarding and best supported gaming experience in the world. More information on the Carmen Media Group can be obtained from www.carmenmedia.com.

The statements included above and elsewhere in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. GigaMedia cautions readers that forward-looking statements are based on the Company's current expectations and involve a number of risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. Information as to certain factors that could cause actual results to vary can be found in GigaMedia's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission in June 2006.

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