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GigaMedia Scores Hot Game Title *Hellgate: London*[®]

Expected to be The Monster Hit of 2007

TAIPEI, Taiwan, December 14, 2006 – GigaMedia Limited (“GigaMedia” or the “Company”) (NASDAQ: GIGM) announced today that it has secured an exclusive license to offer and operate the highly anticipated action game *Hellgate: London*[®] in Taiwan, Hong Kong and Macau.

“Hellgate: London is the hottest new game for 2007 – created by the same team of game giants that brought Diablo and Warcraft to the world,” stated GigaMedia CEO Arthur Wang. “Hellgate: London is going to be a monster hit.”

Hellgate: London[®] is the creation of the fabled Flagship Studios and is distributed by leading international game publisher HanbitSoft, Inc.

“Flagship and HanbitSoft are the Steven Spielberg and Pixar of the game world,” stated CEO Wang. “Hellgate: London is their next-generation product and we are looking at a blockbuster.”

Flagship Studios was founded in 2003 by a team of executives and developers renowned for numerous #1-selling games and multiple Game-of-the-Year awards to their credit, including the worldwide best-selling *Diablo*[®], *Starcraft*[®] and *Warcraft*[®] games.

HanbitSoft is a leading international publisher of online games, with a long track record of successful large scale multi-player games such as *Granado Espada*, *Neo Steam*, *Neo Baseball* and *PangYa*.

“We are excited to partner with GigaMedia and its leading FunTown casual game portal,” stated Tony Park, President of International Business at HanbitSoft. “The combination of HanbitSoft’s gaming publishing track record and GigaMedia’s large player base and operating team ensures that *Hellgate: London* will be a huge success in Asia.”

“Joining with HanbitSoft and Flagship Studios is joining the dream team,” explained GigaMedia CEO Wang. “We are thrilled and expect this partnership will significantly accelerate and extend our robust revenue and earnings growth in 2007 and beyond.”

GigaMedia will operate *Hellgate: London*[®] in partnership with Cyber Gateway Limited, a leading regional online game operator, pursuant to a strategic joint venture in which GigaMedia holds a 70 percent interest, and Cyber Gateway 30 percent. For the three-year exclusive operating license, the joint venture will pay an aggregate licensing fee and minimum guarantee of US\$9 million.

Hellgate: London[®] is the marquee title from premier developer Flagship Studios. Since the game was announced in 2004, it has received an overwhelming amount of attention including its appearance on more than 30 magazine covers worldwide in addition to multiple industry nominations and awards.

Hellgate: London[®] is an action-driven role-playing game that combines the depth and customizability of role-playing games with the immersive excitement and action of first-person-shooter games. In the game, the player creates a heroic character, completes quests and battles through innumerable hordes of demons to advance through experience levels and branching skill paths. A robust, flexible skill and spell system, highly customizable appearances and a massive variety of randomly generated equipment allow players to create their own unique heroes. With dynamically created items, chance events and story-driven quests, no two gaming experiences are ever the same.

Set in the year 2038, *Hellgate: London*[®] introduces a world devastated by a demon invasion and a desolate city scorched by hellfire where mankind has gone underground to survive. The mystic sanctuary of the underground system provides players safe conduct throughout the sprawling metropolis of London as they seek to preserve the bloodline of man, gain a foothold against the minions of darkness, and destroy the gates of hell.

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 <http://www.gigamedia.com.tw>

About HanbitSoft, Inc.

HanbitSoft, Inc. is a leading game publisher and developer based in Korea. Established in 1999, HanbitSoft is the global publisher of numerous leading MMOGs, including *Granado Espada*, *Neo Steam*, *Neo Baseball*, *Hellgate: London*[®], *Guardians Online*, *Tantra*, *PangYa*, *Survival Project* and *WYD*. HanbitSoft also develops MMOGs both in-house and by investing in Korean and overseas studios such as IMC Games, Flagship Studios, Auran Studio, and Studio Mars. For more information about HanbitSoft, Inc., log onto www.hanbitsoft.com.

About Flagship Studios

Flagship Studios is a creator of innovative entertainment software, designing games that focus on ease of play, replayability, and fun. The studio was formed in 2003 by former executives and developers from Blizzard North[®] and represents the creators of the worldwide, best-selling Diablo[®] franchise. With members that are renowned within the gaming industry, Flagship Studios embodies a team that has worked together for over a decade and have numerous #1-selling games and multiple Game of the Year awards to their credit. For more information about Flagship Studios, log onto www.flagshipstudios.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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