

Net1 increases footprint in Iraq

Johannesburg, South Africa, December 1, 2008 – Net 1 UEPS Technologies, Inc. (NASDAQ: UEPS; JSE: NT1) (“Net1” or the “Company”) today announced that it has received an order for an additional 800,000 smart cards to be issued to war victim beneficiaries and pension payment recipients. This additional order follows the recent order of 200,000 smart cards received during October 2008. The total cards ordered from Net1 to date amount to 1.1 million. Delivery of the 1 million cards will be 200,000 per month between December 2008 and May 2009. Completion of cardholder registration is anticipated for June 2009.

In August 2008, Net1’s UEPS system was implemented in Iraq and is used for the distribution and payment of government grants to war victims and martyrdom beneficiaries, as well as salary and wage distribution and payment to employees of the two state banks. The pilot system was successful and for the first time in history the two state banks are opening their doors to the public seven days a week to cater for the flood of beneficiaries wanting to register for their smart cards.

Brenda Stewart, Net1 Senior Vice President Sales and Marketing, said “We are really excited and proud of the commitment displayed by both the Iraqi and Net1 teams. This additional order is the result of the successful pilot system deployed during the month of September 2008.”

“Iraq is virgin territory for the UEPS and we look forward to Phase 2 implementation which involves the rollout of the POS terminals into merchant stores, the commencement of electronic bill payments, money transfers, loan deductions, cash advances and traditional banking functionality. The UEPS enables countries to tap into the un-banked markets, encourage savings, allowing the banks to re-invest the monies deposited and in-turn grant affordable loans to the small and medium term businesses assisting towards the growth of the economy” Stewart concluded.

About Net1 (www.net1ueps.com)

Net1 provides its universal electronic payment system (“UEPS”), as an alternative payment system for the unbanked and under-banked populations of developing economies. The company believes that it is the first company worldwide to implement a system that can enable the estimated four billion people who generally have limited or no access to a bank account to enter affordably into electronic transactions with each other, government agencies, employers, merchants and other financial service providers. To accomplish this, Net1 has developed and deployed the UEPS. This system uses secure smart cards that operate in real-time but offline, unlike traditional payment systems offered by major banking institutions that require immediate access through a communications network to a centralized computer. This offline capability means that users of Net1’s system can enter into transactions at any time with other cardholders in even the most remote areas so long as a portable offline smart card reader is available. In addition to payments and purchases, Net1’s system can be used for banking, health care management, international money transfers, voting and identification.

Net1 also focuses on the development and provision of secure transaction technology, solutions and services. Its core competencies around secure online transaction processing, cryptography and integrated circuit card (chip/smart card) technologies are principally applied to electronic commerce transactions in the telecommunications, banking, retail, petroleum and utilities market sectors. These technologies form the cornerstones of the “trusted transactions” environment of Prism, a South African based subsidiary of the company, and provide the Company with the building blocks for developing secure end-to-end payment solutions.

Net1 recently acquired 80.1% of BGS Smartcard System AG (“BGS”), an Austrian company, whose core business consists of developing and integrating smart card-based offline and online financial transaction systems. Since 1993, BGS has implemented tailor-made smart card-based payment solutions, focusing on emerging economies and in cooperation with banks, enterprises and government authorities. BGS is headquartered in Vienna, Austria, and has subsidiaries in India and Russia, and a branch office in the Ukraine. Distributors are located in Asia, Central and South America, the Commonwealth of Independent States and the Middle East.

Forward-Looking Statements

This announcement contains forward-looking statements that involve known and unknown risks and uncertainties. A discussion of various factors that could cause the Company's actual results, levels of activity, performance or achievements to differ materially from those expressed in such forward-looking statements are included in the Company's filings with the Securities and Exchange Commission including the risk factors contained in our Annual Report on Form 10-K for the year ended June 30, 2008. The Company undertakes no obligation to revise any of these statements to reflect future circumstances or the occurrence of unanticipated events.

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