

Net1 Announces Extension of South African Provincial Contracts

JOHANNESBURG, February 5, 2007 – Net 1 UEPS Technologies, Inc. (NASDAQ: UEPS) ("Net1" or the "Company") announced today that it has received from the South African Social Security Agency formal notification of extensions until March 31, 2008 of all its contracts to distribute social welfare grants. The terms and conditions of the extensions are similar to those included in the Service Level Agreements signed between Net1 and the provincial governments.

Net1 utilizes its smart-card based UEPS technology to distribute monthly grants to more than 3.7 million social welfare recipients in the Kwa-Zulu Natal, Limpopo, Eastern Cape, Northern Cape and North West provinces of South Africa. The grants distributed include old age grants, disability grants and child support grants.

About Net1 (www.net1ueps.com)

Net1 provides its universal electronic payment system, or 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, the Company 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 card holders 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's subsidiary, Prism, is a company focused on the development and provision of secure transaction technology, solutions and services. Prism's 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 and provide us with the building blocks for developing secure end-to-end payment solutions.

This announcement contains forward-looking statements pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, implied or inferred by these forward-looking statements, such as implementation of the Company's Prism strategy, product demand, market and customer acceptance, the effect of economic conditions, competition, pricing, development

difficulties, foreign currency risks, costs of capital, the ability to consummate and integrate acquisitions, and other risks detailed in the Company's SEC filings. 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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