

## **Iraqi government selects Net1's UEPS technology**

Johannesburg, February 26, 2008 – Net 1 UEPS Technologies, Inc. (NASDAQ: UEPS) (“Net1” or the “Company”) today announced that it has signed a contract with a consortium comprising the Iraqi government and local Iraqi banks for the use of Net1's UEPS technology in Iraq. Under the contract, Net1 will provide a customized UEPS banking and payment system to the consortium.

The consortium, International Smart Card LLC, selected Net1 as its partner to assist with the challenges currently encountered with the payment and distribution of cash disbursements in Iraq. It is expected that the UEPS technology will also be utilized by Iraqi citizens living abroad, via bank branches in other countries.

The deployment of the UEPS will provide a ubiquitous platform for retail payment transactions in Iraq by providing interoperability between automatic teller machines, point of sale devices and bank branches. The UEPS technology will provide offline and online transaction processing solutions to enable affordable products and services to be offered to Iraqi citizens irrespective of where they reside. Projects identified include the payment of social grants to war victims, employee salary/wage payments, banking products and financial services. The first project will pilot the solution for the distribution of social grant payments to war victims.

“This contract is further proof of the versatility and strength of our UEPS technological offering,” said Dr. Serge C.P. Belamant, chairman and CEO of Net1. “Our solutions will allow the Iraqi government to provide a national payment system that can deliver secure, flexible and affordable financial services to the Iraqi people. We look forward to working with our partners to assist with the upliftment of the Iraqi citizens' lives”

Net1 expects to commence this project in the fourth quarter of fiscal 2008 and expects to generate revenue from this contract in the first quarter of fiscal 2009. Under the agreement, Net1 will receive ongoing transaction and license fees, as well as payments for the provision of outsourcing services and the sale of hardware.

Brenda Stewart, Net1's Senior Vice President Sales and Marketing, added, "Net1 is extremely proud to provide Iraq with its technology, which will prove beneficial to all participants including financial institutions, government departments, the private sector and, most importantly, the citizens of Iraq."

**About Net1 ([www.net1ueps.com](http://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 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.

The Company also focuses on the development and provision of secure transaction technology, solutions and services. The Company'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 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.

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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