

## **Net1 requested by SASSA to extend validity of bid proposal to end September 2008**

Johannesburg, South Africa, June 30, 2008 – Net 1 UEPS Technologies, Inc. (NASDAQ: UEPS) (“Net1” or the “Company”) today announced that it has received a Bidders Notice from the South African Social Security Agency (“SASSA”) advising bidders that the process of evaluating bidders’ proposals and finalizing the adjudication of the SASSA tender has not been completed. Bidders have been advised that the Evaluation Committee appointed to evaluate the bid proposals has submitted its recommendations to an Adjudication Committee for consideration, and that the Adjudication Committee is currently in the process of reviewing the recommendations of the Evaluation Committee in order to provide a recommendation to the Chief Executive Officer of SASSA on the preferred bidder(s) for each province.

SASSA has advised that this process will not be completed by June 30, 2008 when the validity of current bid proposals will expire and has asked all bidders to again extend the validity period of their bid proposals to September 30, 2008. This is the third such extension, which follows extensions granted in January and March 2008.

Net1 has responded in writing stating that the Company is prepared to extend the validity period of its bid proposal to September 30, 2008 but that the Company will seek legal guidance from the South African High Court to ensure the timely and orderly conclusion of the tender evaluation process.

“We continue to fulfill our existing obligations to SASSA with the utmost professionalism and work ethic,” said Dr. Serge C.P. Belamant, Chairman and CEO of Net1. “This tender is one of the largest ever issued in South Africa, which outcome will affect more than ten million South Africans and we understand the need for a thorough and rigorous review process, including the appointment of the Adjudication Committee which was not foreseen as part of the original tender process. We will therefore continue to engage with SASSA and assist them in all respects, including seeking independent legal guidance, in order to achieve a conclusive and sustainable outcome,” concluded Belamant.

Existing service level agreements (“SLAs”) were previously extended on March 31, 2008. The SLAs have been extended by 12 months to March 31, 2009.

SASSA reserves the right to terminate any of the SLAs on 30 days written notice, but only after an initial period of six months which ends on September 30, 2008.

### **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 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. 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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