

“LIVE” ROLLOUT OF UEPS SMART CARDS TO GOVERNMENT GRANT BENEFICIARIES IN BOTSWANA

Johannesburg, September 4, 2008 – Net 1 UEPS Technologies, Inc. (“Net1” or the “Company”) (NASDAQ: UEPS) today announced the successful implementation of UEPS software applications required for the distribution of electronic government grants by SmartSwitch Botswana (Pty) Ltd to beneficiaries previously receiving monthly food baskets in Botswana. The Ministry of Local Government: Department of Social Services through its local councils and sub-district councils is scheduled to commence registration and issuing of UEPS smart cards to beneficiaries across Botswana during September 2008. The distribution of grants using UEPS smart card is scheduled to commence during October 2008.

The system provided by Net1 will offer a secure and convenient method for the distribution of electronic grants to approximately 100,000 beneficiaries comprising destitute persons, orphans and community home care patients. In addition, the Company expects the beneficiaries to benefit from the system as the distribution of electronic grants is faster than the distribution of traditional food baskets or benefits.

We believe that many companies deploying food parcels or baskets are encountering logistical and operational issues and would welcome a modern payment system that enables efficient, cost-effective and prompt service delivery country-wide, in a secure manner.

“This system will significantly reduce the costs normally associated with food basket distribution via traditional channels, including administration, management, labour and transportation, but more importantly, will ensure that beneficiaries receiving these grants can only redeem the value loaded to their smart card in selected merchant outlets providing food supplies,” says Brenda Stewart, Senior Vice President Marketing & Sales.

The system is designed to provide a separate government grant wallet activated on a UEPS smart card which has the relevant security restriction to prohibit the beneficiaries from using other UEPS products and services offered on the smart card, such as cash withdrawals, money transfers, bill payments and cash advances. The UEPS biometric fingerprint identification methodology ensures that the payment intended for these beneficiaries is actually received and redeemed in the form of food supplies by these beneficiaries.

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. 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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