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A commission established in terms of the Gambling & Betting Act, 1997 (Eastern Cape) (Act No. 5 of 1997)

PLEASE NOTE THAT THE INFORMATION CONTAINED IN
THIS PRESS STATEMENT IS EMBARGOED FROM
PUBLICATION UNTIL 23H59 ON Saturday 9 August
2003

PRESS STATEMENT

The Eastern Cape Gambling and Betting Board wishes to inform members of the public that on Monday 11 August 2003 it will publish a notice contemplated in section 49(2) of the Gambling and Betting Act, 1997 (Act No. 5 of 1997) (Eastern Cape) (as amended) in the Eastern Cape Provincial Gazette inviting applications for the two limited payout gambling machine ("LPM") route operator licences it intends to issue for the province. This will start a process which is intended to provide for the licensing of LPM's in Eastern Cape.

It is envisaged that each route operator will eventually operate 1000 limited payout gambling machines. Although the Regulations to the National Gambling Act, 1996 provide for this province to have up to 6000 LPM's, the Board has resolved not to consider more than 2000 machines in total at this stage, to prevent an oversupply of such machines.

The full details of the applications will be included in a Request for Proposal ("RFP") document, which applicants will have to purchase from the Board, and which contains the conditions and criteria relating to applications. These will be available at the Board's offices as from 11 August at a cost of R 2850,00 (incl. VAT).

After representations from the industry voiced at a bidders' conference held on 17 June 2003, the Board has resolved to embark on a two-stage process and accordingly only applications for the two route operator licenses will be invited at

BOARD MEMBERS: J LUKWAGO-MUGERWA (CHAIRPERSON) MS K CANCA (DEPUTY CHAIRPERSON);
A NTSONKOTHA; P MNQANDI; S MLONYENI; MS P NQAKULA; P MYLES ; X MBANGXA;
V G MATI (CHIEF EXECUTIVE OFFICER)

this time. It is intended that RFP's inviting applications for LPM site licences will only be issued after selection of the two successful route operator licence applicants. Members of the public interested in operating LPM's should therefore not approach the Board in respect of applications for LPM site licenses at this time as it is envisaged that RFP's for LPM site licenses will only be issued in about April, 2004. Potential site licence holders should note that Eastern Cape Legislation provides that LPM sites may only operate machines licensed to a licensed route operator, hence the decision to select the two successful route operator applications before inviting applications from sites.

All machines to be operated by route operators will, like all gambling machines in the province, have to comply with the relevant SABS standards and have to comply with the regulated minimum return to player provisions. All LPM's will have to be connected to the central monitoring system operated by Zonke Monitoring Systems for use by provinces in terms of its service level agreement with the National Gambling Board.

LPM's have a maximum stake per game of R 5,00 and a maximum payout per game of R 500,00 per game and are regarded as a potential subsidiary attraction for pubs, clubs, licensed taverns and the like, who may eventually operate 3-5 machines. When applications for site licenses are invited at a later date the Board will also consider inviting applications for 20-40 machine LPM sites, but only under certain conditions, which will be advertised at that time.

The closing date for applications is 11h00 on 11 November 2003.

(signed) **J LUKWAGO-MUGERWA**
CHAIRPERSON
Friday, 08 August 2003

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