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

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## PRESS STATEMENT

### **EASTERN CAPE GAMBLING & BETTING BOARD** **TO INVITE APPLICATIONS FOR TWO** **AVAILABLE CASINO LICENSES**

The Eastern Cape Gambling and Betting Board, after consultation with the MEC responsible for Economic Affairs in the province and after being approached by various interested parties has commenced a process which is intended to result in applications being invited for the two available casino licences in zones 3 and 4 of the Province, one licence being available in each zone.

Zone 3 comprises the magisterial districts of Albert; Aliwal North; Barkly East; Cathcart; Cradock; Glen Grey/Cacadu/Lady Frere; Graaff-Reinet; Herschel; Hewu/Sada/Whittlesea; Hofmeyr/Hofmeyer; Indwe; Lady Grey; Middelburg; Molteno; Queenstown; St Marks/Cofimvaba; Sterkstroom; Steynsburg; Tarka/Tarkastad; Venterstad; Wodehouse; Xalanga/Cala and Ntabathemba.

Zone 4 comprises the magisterial districts of Elliot; Elliotdale; Engcobo; Libode/Maclear; Mqanduli; Nqgeleni; Port St Johns/Mzivusu/Imzimvubu; Qumbu; Tsolo and Umtata.

A draft Request for Proposal ("RFP") will be issued on 6 February 2006 and a bidders conference to hear from interested parties will be conducted on 23 February, 2006. After this a final RFP will be issued. The proposed closing date for applications, subject to amendment after the bidders conference and final RFP, is 12 June 2006. Applicants will only be able to respond to the final RFP.

The provinces existing casinos have brought much needed infrastructural development and created many sustainable jobs. Given the interest shown and the present positive economic climate, the Board felt it opportune to begin this

process which is intended to bring the benefits of jobs and infrastructure to the Northern and Transkei areas of the Province.

In the past two applications for developments worth R 52 million and R 68 million were made for Queenstown but neither applicant could raise the necessary funds. No applications were received for zone 4 despite advertisement. The Board then resolved to leave the licenses in abeyance. Recently the Board has however been approached by several interested parties whose activities have indicated that the Board can be reasonably certain that reasonable bids can be accepted.

The Board has, in addition to its usual evaluation criteria, proposed minimum criteria for the applications including a minimum investment of R 50 million in zone 3 and R 65 million in zone 4; minimum facilities required, including a hotel, restaurant etc, minimum shareholding by Eastern Cape-based empowerment shareholders and trusts and the like. To foster tourism the Board also proposes the development has an Eastern Cape theme or a radical "must see, must do" theme.

It is anticipated that the anticipated two new casinos will contribute meaningfully to infrastructure development, tourism and, in particular, job creation in the Province.

I trust you will find the above in order.

Yours faithfully



**V G MATI**  
**CHIEF EXECUTIVE OFFICER**

(Inserted scanned signature on approval hereof)