

Gold Reef Resorts Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1989/002108/06)
Share code: GDF ISIN: ZAE000028338
("Gold Reef")

Announcement regarding the sale and transfer of Gold Reef shares by certain empowerment shareholders

1. Introduction

Mainstreet 581 (Proprietary) Limited ("**Mainstreet**"), an indirect wholly-owned subsidiary of Tsogo Sun Holdings (Proprietary) Limited, has entered into agreements with certain empowerment shareholders of Gold Reef (the "**Sellers**"), in terms whereof the Sellers agree to sell and transfer to Mainstreet the beneficial ownership of 41 876 047 ordinary shares (the "**Sale Shares**") (equivalent to approximately 15.01%) of Gold Reef's issued ordinary share capital (excluding treasury shares) (the "**Transactions**").

Certain of the Sellers acquired their Sale Shares in 2007 with the facilitation of funding from third party funders. Gold Reef has been informed that the Transactions were concluded by certain of the Sellers because they were faced with the almost certain initiation of foreclosure proceedings by the funders on certain of the Sale Shares.

2. Further Particulars

The Sale Shares formed part of the 25,1% of the issued share capital of Gold Reef (excluding treasury shares) that is subject to a Voting Pool Agreement which was entered into to ensure that Gold Reef maintained at least a 25,1% empowerment shareholder base. It has been, and continues to be, a priority of Gold Reef to ensure sufficient empowerment in Gold Reef for both strategic and regulatory reasons.

3. Regulatory Approval and Empowerment

The Transactions result in Mainstreet acquiring a financial interest in Gold Reef in excess of the 5% threshold prescribed by various Provincial Gambling Boards. Accordingly the Transactions will require the approval of certain Provincial Gambling Boards which have jurisdiction in respect of the Gold Reef Group's casino licences. The determination of whether or not the empowerment status of Mainstreet is sufficient to maintain compliance with the Gold Reef Group's relevant Provincial Gambling Board licence conditions, the DTI's B-BBEE codes of good practice and general empowerment requirements is best determined by, *inter alia*, those Boards as part of the regulatory approval process.

4. **Resignation of two Directors**

Immediately preceding the Transactions and as announced on 9 October 2008, two of the stakeholders in the Sellers, namely Mr R T Moloko and Mr B J Biyela, resigned as directors of Gold Reef with effect from 7 October 2008. Gold Reef thanks them for their contribution.

Apart from the aforesaid resignations, the Transactions will not have any impact on the composition of the board of Gold Reef.

It has been, and continues to be, a priority of Gold Reef to increase the number of empowerment and independent directors on the board.

Johannesburg

16 October 2008

Sponsor
Nedbank Capital

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