



GOLD REEF

R E S O R T S

Gold Reef Resorts Limited

(Incorporated in the Republic of South Africa)

(Registration number 1989/002108/06)

JSE share code: GDF ISIN: ZAE000028338

("Gold Reef")

NON-FULFILMENT OF CONDITIONS PRECEDENT TO SCHEME OF ARRANGEMENT AND OTHER MATTERS

Shareholders are referred to the announcement on Thursday, 31 January 2008, whereby Gold Reef shareholders ("Shareholders") were advised that the deadline date for the conditions precedent to the scheme of arrangement ("the Scheme") in terms of section 311 of the Companies Act (61 of 1973), as amended, proposed by Fluxrab Investments No. 159 (Proprietary) Limited ("BidCo") between Gold Reef and the Shareholders, other than Aldiss Investments (Proprietary) Limited (a wholly-owned subsidiary of Gold Reef and the holder of 14 427 602 treasury shares) ("Aldiss"), in terms of which BidCo sought to acquire all the Gold Reef shares held by Shareholders, other than Aldiss ("the Offer"), to be fulfilled, or where permissible waived, had been extended by agreement between Gold Reef and BidCo until 5pm on Friday, 1 February 2008 or such further date which Gold Reef and BidCo may have agreed on or before 5pm on Friday, 1 February 2008.

Shareholders are advised that BidCo has elected not to further extend the deadline date beyond 5pm on Friday, 1 February 2008. As at the expiry of the aforesaid deadline, the remaining condition precedent which was yet to be fulfilled was the approval by the respective provincial Gambling Boards. As of Friday, 1 February 2008 none of the Gauteng Gambling Board, Western Cape Gambling and Racing Board, KwaZulu-Natal Gambling Board, Free State Gambling and Racing Board nor the Eastern Cape Gambling and Betting Board have given their approval. Accordingly the aforesaid condition precedent has not been fulfilled and the Scheme has lapsed and is of no further force or effect.

We refer Shareholders to the announcement released by the Securities Regulation Panel ("Panel") on Friday, 1 February 2008 regarding the outcome of the hearings that the Panel conducted in respect of the Offer whereby the Panel stated that "Having heard the oral submissions and considered documentation presented to the Securities Regulation Panel, it is held that Gold Reef Resorts Limited is in breach of Rules 13, 16, 19 and 20". The Board of Gold Reef awaits the release by the Panel of the reasons for this ruling. A further announcement will be made to Shareholders in this respect in due course.

The Board of Gold Reef remains confident about the future prospects of Gold Reef. Cash flows remain strong and business fundamentals remain sound, notwithstanding the current economic conditions.

It is expected that Gold Reef's reviewed results will be available on Monday, 17 March 2008.

Johannesburg
4 February 2008

**Financial advisor and
transaction sponsor to Gold Reef**



Merrill Lynch

Global Markets & Investment Banking Group

Merrill Lynch South Africa (Pty) Ltd

Registration number 1995/001805/07

Registered Sponsor and Member of the

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