Option Terms and Conditions

1. The options are exercisable each at any time up to 31 December 2008. Each option entitles the holder to subscribe for 1 ordinary share in the Company.

2. Notwithstanding paragraph 1, if a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder becomes entitled to compulsorily acquire all of the shares, any options not exercised by the end of the bid period shall lapse.

3. The holder may exercise any part of the options only without prejudice to the holder's ability to subsequently exercise any remaining options.

4. All shares issued upon exercise of the options will rank equally in all respects with the then issued shares, and the Company will, within 7 days, apply for official quotation by the ASX of all shares issued upon the exercise of the options.

5. There are no participating rights or entitlements conferred on the options and the holder will not be entitled to participate with respect to the options in new issues offered to shareholders during their currency without exercising the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least 7 business days after the relevant issue is announced and the holder is notified at that time. This will give the holder the opportunity to exercise the options prior to the date for determining entitlements and to participate in any such issue as a shareholder.

6. In the event of any reorganisation of capital of the Company prior to the expiry date for exercise of the options, the number of options which the holder is entitled or the exercise price of the options or both shall be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.

7. The number of options held will appear on an optionholder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising options as follows:

Notice of Exercise of Options

To the Directors of e-pay Asia Limited (the "Company"),

I, ...

of .....

being the registered holder of options in the capital of the Company hereby exercise ..... such options to subscribe for ordinary shares and enclose application monies payable per option exercised.

I authorise you to register me as the holder of the shares to be allotted to me and agree to accept such shares subject to the constitution of the Company.

Dated the day of 200

Signed by)

the holder of the options) .....

8. The options are exercised by completing the Notice of Exercise of Options form (similar to the one above) and forwarding it to the Company with the exercise monies payable to the Company. The Company shall within 7 days after the receipt of such Notice, allot shares in respect of the options exercised and dispatch a shareholder statement to the holder.

9. The Company will advise holders at least 20 business days before the impending expiry of their options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the ASX Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their options.

10. The options are transferable.