

e-pay Pakistan and Ufone sign strategic agreement

SYDNEY; 17 July 2006 - e-pay Asia Limited (ASX/AIM: "EPY") today announced that its joint venture company e-pay Pakistan (collectively as "e-pay"), has signed a strategic agreement with Pakistan's fastest growing telecommunications carrier Ufone, committing the two industry leaders to promote and increase usage of electronic top up ("e-Top-Up") by the country's rapidly growing base of 30 million prepaid mobile subscribers.

Pakistan has a population of about 170 million people with 96% of all mobile users in the country on prepaid accounts and, cash is the main form of payment to buy top up airtime. According to Frost & Sullivan, Pakistan's total number of prepaid mobile users will surpass 53 million by 2008 generating about \$3 billion in mobile top up revenues.

Babar Khan President & CEO Ufone said: "Ufone is pleased to launch Pakistan's largest electronic recharge service with e-pay. Ufone customers can now enjoy the convenience and security of using cash to buy recharge airtime at virtually anywhere and anytime. The e-Top-Up system by e-pay is already supported by 39 mobile operators in 12 countries worldwide."

Ufone's Vice President Commercial Mr. Mubashir Naqvi said: "The alliance with e-pay is another major milestone in Ufone's ongoing commitment to seek innovative solutions to improve its customer value proposition. This deal will not only provide our customers with the ease of convenience but will also create more employment opportunities in Pakistan."

"In addition to point of sale terminals, e-pay plans to launch other forms of e-Top-Up", said Mr. Tariq Fuad, Chairman of e-pay Pakistan, "They include prepaid mobile recharge via ATM machines, cash registers, mobile phones, kiosks and the internet. We look forward to delivering further cost savings and benefits to our customers and partners."

e-pay Asia Managing Director Mr. Simon Loh said: "e-Top-Up will enhance Ufone's offering, improve supply chain efficiency and deliver immediate benefits to millions of consumers. With the addition of SMS and internet top up, we could witness a significant shift in user preference towards electronic top up in Pakistan much faster than anticipated."

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For more information

If you are enquiring from Asia or the Americas, please contact Jonathan Soon, Director & Company Secretary of e-pay Asia Limited on +61416168816 or jonathan@e-payasia.com. If in the United Kingdom or other parts of Europe, please contact Shane Dolan, Director of Biddicks in London on +44207448 1000 or shane.dolan@biddicks.co.uk.

About the companies mention in this announcement:

Ufone, a product of PTML was established to operate cellular GSM 900 services. The company commenced its operations, under the brand name of Ufone from Islamabad on January 29, 2001. Ufone is the second largest Mobile Phone Operator in Pakistan with a share of almost 25% of the market. Ufone now has a subscriber base of over 7 million and covers over 350 cities across Pakistan providing their customers quality service and value for money. For more details please visit www.ufone.com

e-pay Asia Limited (ASX/AIM: EPY), dual listed on Australia Stock Exchange and the AIM segment of the London Stock Exchange, is a leading provider of prepaid mobile airtime and electronic payment solutions in South East Asia. Headquartered in Kuala Lumpur with its corporate office in Sydney, e-pay Asia operates in Malaysia, Indonesia, Pakistan and Thailand with plans to expand into China, Vietnam, Singapore and other parts of Asia. For more information on the Company, please visit our corporate website www.e-payasia.com