

First Quarter Net Operating Cash Flows increase 266% Year on Year

Sydney, 30 April 2007

e-pay Asia Limited (the "Company") is pleased to report 266% growth in net operating cash flows on a year-on-year basis from A\$1.46m for the first quarter of 2006 to A\$5.36m in 2007. The strong cash flows were mainly derived from an excellent performance in its core market in Malaysia, which the Company is pleased to report has fully recovered from the effect of the flood in December 2006.

Managing Director of e-pay Asia Limited, Simon Loh, commented:

"We are pleased to announce strong cash generation for the first quarter of 2007. Mobile Top Up transactions in the first quarter of the year have been in line with expectations, and ahead of the same period in 2006.

Following the period end, the Company announced an alliance with AmBank, one of Malaysia's largest banks and was appointed by the Malaysian government to provide services as part of its plan to develop digital communication centres in rural areas.

Both these developments have the potential to provide the Company with significant net fee income. As a result of these events and the continued strong cash generation reported today, the Company is confident of achieving current market expectations for the full year."

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About EPY

e-pay Asia Limited (ASX/AIM: EPY), dual listed on the Australian 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. For more information on the Company, please visit our corporate website: www.epay-asia.com

END

Appendix 4C
Quarterly cash flow report for
entities admitted on the basis of commitments
Q1, 2007

E-PAY ASIA LIMITED (ASX / AIM: EPY)

ABN 99 809 227 887

Consolidated statement of cash flows for the period ended 31 Mar 2007

Cash flows related to operating activities		Current quarter Jan - Mar 07 \$A'000	Year to date Jan - Mar 07 \$A'000
1.1	Receipts from customers	141,283	141,283
1.2	Payment for suppliers and employees	(135,601)	(135,601)
1.3	Interest and other costs of finance paid	(268)	(268)
1.4	Income taxes paid	(57)	(57)
1.5	Net operating cash flows	5,357	5,357
<i>Cash flows related to investing activities</i>			
1.6	Additional investment in subsidiary	0	0
1.7	Payment for equipment	(85)	(85)
1.8	Proceeds from disposal of equipment	72	72
1.9	Cash held for security deposits	(6,801)	(6,801)
1.10	Net investing cash flows	(6,814)	(6,814)
1.11	Total operating and investing cash flows	(1,457)	(1,457)
<i>Cash flows related to financing activities</i>			
1.12	Proceeds from issues of shares, options, etc.	66	66
1.13	Proceeds from short term borrowings	9,936	9,936
1.14	Repayment of loan	(985)	(985)
1.15	Dividend paid	(3,956)	(3,956)
1.16	Net financing cash flows	5,061	5,061
1.17	Net increase in cash held	3,604	3,604
1.18	Cash at beginning of quarter/year	7,084	7,084
1.19	Exchange rate adjustments	(71)	(71)
1.20	Cash at end of quarter	10,617	10,617

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.21	Aggregate amount of payments to parties included in item 1.2	155
1.22	Explanation of the transactions	
	Directors' remuneration	

Non-cash financing and investing activities

- 1.23 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
1.24 Loan facilities	37,850	24,127
1.25 Credit standby arrangements	20,000	0

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
1.26	Cash on hand and at bank	6,881	6,700
1.27	Deposits at call	3,750	2,007
1.28	Bank overdraft	(14)	(1,623)
1.29	Total: cash at end of quarter	10,617	7,084

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



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Jack Tan , COMPANY SECRETARY
E-PAY ASIA LIMITED

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* applies to this report except for the paragraphs of the Standard set out below.
 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - itemised disclosure relating to acquisitions
 - itemised disclosure relating to disposals
 - policy for classification of cash items
 - disclosure of restrictions on use of cash
 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.