

**e-pay Asia Limited
(the "Company")**

Sydney, 31 July 2007

The Board of e-pay Asia Limited (the "Company") is pleased to announce its cash flow statement for the quarter ended 30 June 2007. Total cash received from customers was up 13% compared to the same period last year, from A\$127.8m to A\$144.7m. The Company's core Malaysian business, as highlighted in the recent Trading Update, continues to trade strongly and is both cash generative and profitable

John Croft, Chairman of e-pay Asia Limited, commented:

"Our recent Trading Update highlighted the challenges faced by e-pay Asia Limited in Indonesia and the impact of our evolving strategy to enter new markets successfully. As a result of a review, necessary changes have been made to both senior and operational management as well as to resource allocation.

"Overall, the Company's core business remains strong with the finances in place to drive growth in its core business while developing its capabilities to enter new markets successfully for the long term. I anticipate announcements to this effect in due course."

For more information:

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About EPY

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. For more information on the Company, please visit our corporate website www.epay-asia.com.

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Appendix 4C
Quarterly cash flow report for
entities admitted on the basis of commitments
Q2, 2007

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

ABN 99 809 227 887

Consolidated statement of cash flows for the period ended 30 June 2007

Cash flows related to operating activities		Current quarter Apr - June 07 \$A'000	Year to date Jan - June 07 \$A'000
1.1	Receipts from customers	144,748	286,031
1.2	Payment for suppliers and employees	(140,914)	(276,515)
1.3	Interest and other costs of finance paid	(264)	(532)
1.4	Income taxes paid	(27)	(84)
1.5	Net operating cash flows	3,543	8,900
<i>Cash flows related to investing activities</i>			
1.6	Additional investment in subsidiary	0	0
1.7	Payment for equipment	(190)	(275)
1.8	Proceeds from disposal of equipment	1	73
1.9	Cash held for security deposits	(1,220)	(8,021)
1.10	Net investing cash flows	(1,409)	(8,223)
1.11	Total operating and investing cash flows	2,134	677
<i>Cash flows related to financing activities</i>			
1.12	Proceeds from issues of shares, options, etc.	1	57
1.13	Repayment/proceeds from short term borrowings	(716)	9,230
1.14	Repayment of loan	(54)	(1,039)
1.15	Dividend paid	(2,780)	(6,736)
1.16	Net financing cash flows	(3,549)	1,512
1.17	Net increase in cash held	(1,415)	2,189
1.18	Cash at beginning of quarter/year	10,617	7,084
1.19	Exchange rate adjustments	(748)	(819)
1.20	Cash at end of quarter	8,454	8,454

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	158
1.22	Explanation of the transactions	
	Directors' remuneration	

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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	36,189	25,182
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	5,360	6,881
1.27 Deposits at call	3,420	3,750
1.28 Bank overdraft	(326)	(14)
1.29 Total: cash at end of quarter	8,454	10,617

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.