

ASX / AIM: EPY
4 December 2007

e-pay Asia Limited
(the "Company")

Quarterly Cash Flow Statement

Steady Progress

The Board of e-pay Asia Limited is pleased to announce strong operating cash flows for the quarter ended 30 September 2007 reflecting robust trading in the Company's core Malaysian business. The net operating cash flow for the period was A\$1.4million.

In line with ASX listing requirements, the Company will revert to half yearly reporting in 2008 as it is no longer required to report quarterly cash flows.

As highlighted previously, the Company's has conducted a review of the business and has changed management and streamlined operations across the group in order to focus on improving business efficiencies.

This strategy has been successful and has created a tightly managed business focused on driving profitable growth. New revenue streams continue to be added via the sale of additional products and services through the Company's Network of terminals and will complement the Company's core business.

Good progress is being made towards moving into China, which has the potential to deliver significant opportunities to the group and a further announcement with regard to this new market will be made in due course.

The Board is confident of steady progress and looks forward to updating shareholders with further news when appropriate.

John Croft, Chairman, commented:

"I am pleased to report a solid performance from our core Malaysian business, which is delivering steady growth. We continue to introduce new revenue streams into the business with a planned entry into China providing significant future potential. I look forward to reporting on further progress shortly".

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e-pay Asia Limited

Consolidated Cash Flow Statement for the quarter ended 30 September 2007

| | July - Sep 07 A\$ '000 | Year to date Jan - Sep07 A\$ '000 |
|---|---------------------------|---|
| Cash flows from / (for) operating activities | | |
| Receipts from customers | 146,944 | 432,973 |
| Payments to suppliers and employees | (145,233) | (421,744) |
| - interest paid | (317) | (849) |
| - income tax (paid) / received | (12) | (96) |
| Net cash from / (for) operating activities | 1,382 | 10,284 |
| Cash flows from / (for) investing activities | | |
| Subscription of Convertible note | (2,500) | (2,500) |
| Payments for capital expenditure | (430) | (701) |
| Proceed from disposal | 58 | 129 |
| Net cash from / (for) investing activities | (2,872) | (3,072) |
| Cash flows for financing activities | | |
| Proceeds from issuance of shares | 0 | 57 |
| Borrowings | (2,681) | 6,093 |
| Loan repayments | 0 | (4,996) |
| Dividend paid | 0 | (2,780) |
| Net cash for financing activities | (2,681) | (1,626) |
| Net cash inflow /(outflow) for the period | (4,171) | 5,586 |
| Currency translation difference | (655) | (1,436) |
| Cash and cash equivalents brought forward | 17,858 | 8,882 |
| Cash and cash equivalents carried forward | 13,032 | 13,032 |

Reconciliation of cash

| | |
|---------------------------|---------------|
| Cash in bank | 3,290 |
| Deposit with license bank | 10,478 |
| Bank overdraft | (736) |
| | 13,032 |