

7 May 2010

E-PAY ASIA LIMITED (EPY) COMMENCES NEGOTIATIONS FOR A BINDING AGREEMENT FOR THE SALE OF ITS BUSINESS

On 12 April 2010, E-Pay Asia Limited (ASX: EPY) (**Company**) announced its entry into Heads of Agreement with Centurion Portfolio Sdn Bhd (**Purchaser**) for the proposed sale of the Company's operating subsidiaries for cash consideration of \$7,000,000 (after repayment of net inter-company loans of \$700,000) combined with a return of capital to shareholders of 15 cents per share.

As foreshadowed in the announcement, the Company's independent directors have been considering the merits of the sale. To this end, on 23 April 2010, the Company and the Purchaser agreed to an extension of the non-binding assessment period contemplated in the Heads of Agreement, to 7 May 2010.

The Company's independent directors have now completed their assessment and have resolved to enter into negotiations with the Purchaser with a view to executing a binding sale agreement, as contemplated in the Heads of Agreement.

The term of the Heads of Agreement has been extended to 15 May 2010 to allow sufficient time to finalise the terms of the binding sale agreement.

The Company's independent directors consider it appropriate that the sale be subject to approval by the Company's shareholders unrelated to the Purchaser. Accordingly, the binding sale agreement will contain a number of conditions precedent, including:

1. The Company obtaining an independent expert's report to the effect that the transaction is to the benefit of all shareholders of the Company unrelated to the Purchaser, which will be provided to shareholders when the Company calls a general meeting to consider the proposed sale;
2. Approval of the sale by the Company's shareholders unrelated to the Purchaser;
3. Compliance with Chapter 2E of the Corporations Act and Chapter 11 of the ASX Listing Rules; and
4. Shareholders of the Company approving a return of capital to shareholders following successful completion of the transaction.

The Company will update the market regarding the negotiations and provide an updated timetable for the sale, in due course.

By order of the Board.



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ABOUT e-pay Asia Limited

e-pay Asia Limited is one of the leading provider of electronic top up services for prepaid mobile users in South East Asia. The e-pay Asia's electronic top up services operates in 3 countries namely Malaysia, Thailand and Pakistan with approximately 15,000 point of sales. e-pay Asia processes more than 100 million prepaid mobile top up transactions per year.

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