

12 September 2008

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

EPY extends Convertible Note Agreement with ANTL

The Board of e-pay Asia Limited ("EPY") announced today that it has extended its convertible note agreement with AsiaNet Technology Limited ("ANTL") until 31 December 2008.

ANTL is a special purpose vehicle incorporated in Hong Kong, which has strategic partnership alliances within the telecoms sector in certain provinces in China and intends to embark on a mobile prepaid top-up business in these territories. EPY is currently providing ANTL with technical, operational and marketing input into the setting up of electronic mobile top-up infrastructures.

In September 2007, EPY granted an A\$2.5m convertible loan to ANTL that allowed EPY to convert its loan to a 51% stake in ANTL within twelve months. EPY has now extended the end date of this agreement until the end of the calendar year.

The terms were extended because of delays caused by to the demerger of the telecommunication industry in China. The Chinese Government expects the entire telecommunication industry restructuring process to be completed by end of September 2008. EPY reaffirmed its statement from its recent results that despite the potential risks, the Board remains convinced that this strategy will secure long-term benefits for the business.

China has a population of 1.32 billion with mobile phone subscriptions expected to rise to 520 million in 2008 and 600 million by 2010. This agreement with ANTL allows EPY to work through a local partner, enabling the business to become embedded within the Chinese mobile services sector.

Further progress will be announced in due course once the various agreements and licences have been secured.

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ABOUT epay Asia Limited

e-pay Asia Limited is one of the leading providers 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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