

e-pay Asia Limited

ACN 089 227 887

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of e-pay Asia Limited (**e-pay** or the **Company**) is to be held at the Company offices of Level 24, 31 Market Street, Sydney 2000 on Wednesday 14 January 2008 at 10:00 am.

Ordinary Business

Consolidation of Share Capital

To consider and, if thought fit, to pass, the following as an ordinary resolution:

"That for the purposes of Section 254H of the Corporations Act 2001 and the Company's Constitution and for all other purposes,

- (a) *the issued capital of the Company be consolidated on the basis that;
 - i. *every 10 fully paid ordinary shares be consolidated into one fully paid ordinary share;*
 - ii. *every 10 options be consolidated into one option and the exercise price of the options be adjusted in accordance with the provisions of the Listing Rules of the ASX; and**
- (b) *where the number of shares or options held by a member of the Company as result of the consolidation effected by paragraph (a) of the Resolution includes any fraction, that fraction be rounded down; and*
- (c) *that the consolidation be implemented in accordance with the timetable set out in the attached Explanatory Statement.."*

By Order of the Board



Robert Lees
Company Secretary
24 November 2008

Explanatory Memorandum to Shareholders to accompany the Notice of General Meeting

This Explanatory Memorandum has been prepared for the information of shareholders in e-pay Asia Limited in connection with the proposal that the Company consolidate every 10 fully paid ordinary shares or options of the Company into one fully paid ordinary share or option.

Background

e-pay Asia Limited was admitted to the official list of the ASX Limited (**ASX**) on 15 November 2000, under its former name Sky Net Global Limited. The Company changed its name to e-pay Asia Limited and was reinstated to official quotation on 4 January 2006. The Company currently has 281,656,343 ordinary shares on issue and 8,146,314 options (of which 7,463,575 expire on 31 December 2008 and the balance expire at various dates to 11 December 2009).

Effect on Shares

The consolidation will result in 281,656,343 ordinary shares being consolidated into approximately 28,165,634 ordinary shares. The consolidation of share capital will not affect shareholders' percentage shareholdings in the Company.

Where the conversion of a shareholder's holding results in a fractional shareholding, the converted shareholding will be rounded down to the nearest whole share.

Effect on Options

The Company currently has on issue 8,146,314 options. The consolidation will result in these options being consolidated to approximately 814,631 options. Pursuant to the provisions of the ASX Listing Rules when options are consolidated their exercise price increases by the same ratio as the consolidation. The following table sets out the effect of the consolidation on the options issued by the Company.

Expiry date	Pre-consolidation		Post-consolidation	
	Exercise price	Number of options	Exercise price	Number of options
11 December 2009	\$3.15	357,143	\$31.50	35,714
9 June 2009	\$1.68	1,786	\$16.80	179
27 August 2009	\$1.93	23,810	\$19.30	2,381
4 February 2009	\$0.19	300,000	\$1.90	30,000
31 December 2008	\$0.20	500,000	\$2.00	50,000
31 December 2008	\$0.20	6,963,575	\$2.00	696,358

Where the conversion of an optionholders holding results in a fractional holding, the converted option holding will be rounded down to the nearest whole option.

Other Information

The consolidation will have no effect on the Company's assets or liabilities. The consolidation in itself does not involve a capital reduction or raise any capital gains tax issues.

The share price trend since the reinstated to official quotation is shown below in the following graph. The share price has deteriorated from a high of 65 cents to 1.4 cents based on weekly closing prices over that period



Share Consolidation Timetable

Assuming that shareholders approve the resolution the effective date of the consolidation will be the date of the Meeting. The consolidation will take effect in accordance with the following timetable.

Event	Date
Snapshot date for eligibility to vote at the General Meeting	7pm, Tuesday, 13 January 2009
Approval of consolidation at General Meeting date	Wednesday, 14 January 2009
Effective Date - Trading of securities on a deferred settlement basis begins	Thursday 15, January 2009
Record Date - Last day to register transfers on a pre- consolidation basis.	Wednesday, 21 January 2009
Despatch Date - Last Day of deferred settlements trading	Tuesday, 27 January 2009

Directors Recommendation

The Directors consider that the Company's present capital structure is inappropriate to the ongoing needs of the Company and unanimously recommend shareholders vote in favour of the Resolution.

Admission to General Meetings and Proxies

Admission to General Meetings

Corporate representatives are required to bring appropriate evidence of appointment as a representative in accordance with the constitution of the Company. Attorneys are requested to bring the original or a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required for corporate representatives and attorneys.

Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- a. each Shareholder has a right to appoint a proxy;
- b. the proxy need not be a Shareholder of the Company;
- c. a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act the Company specified the following information for the purposes of receipt of proxy appointments:

Registered Office e-pay Asia Limited
Level 24,
31 Market Street
SYDNEY NSW 2000

Facsimile number (02) 9267 4388

Each Shareholder entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The Shareholder may specify the way in which the proxy is to vote on each Resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

Votes may be given either personally or by proxy or by attorney under power or in the case of a corporation by its duly authorised representative. No person shall be entitled to vote unless he or she is a Shareholder and present in person or by proxy or attorney or is the representative of a corporation, which is a Shareholder and is duly authorised in accordance with the Corporations Law.

The Company determines that ordinary Shares held as at 7:00 pm AEST on 13 January 2009 will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time.

By Order of the Board



Robert Lees
Company Secretary
24 November 2008

Appointment of Corporate Representative

e-pay Asia Limited

ACN 089 227 887

Appointment of Corporate Representative

Section 250D of the Corporations Act

This is to certify that by a Resolution of the Directors

of:(Company)

Insert name of Shareholder

the Company has appointed:

Insert name of Corporation Representative

in accordance with the provisions of section 250D of the Corporations Act, to act as the body corporate representative of that Company at the meeting of e-pay Asia Limited to be held at the registered office of e-pay Asia Limited, Level 24, 31 Market Street, Sydney 2000 at 11 am on 14 January 2009 and at any adjournments of that meeting.

DATED this day of January 2009

SIGNED on behalf of
Limited ACN by the
authorised persons whose signatures
appear below pursuant to Section 127 of
the *Corporations Act 2001*

Director
Name (print):

Secretary
Name (print):

INSTRUCTIONS FOR COMPLETION

- 1 Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.
- 2 Please follow the instructions below to complete the Certificate of Appointment:
- 3 Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- 4 Print the name and position (eg director) of each Company officer who signs this Certificate on behalf of the Company.
- 5 Insert the date of execution where indicated.
- 6 In accordance with section 249X of the Corporations Act, a Shareholder who is entitled to attend and cast a vote at the meeting may appoint either an individual or a body corporate. Section 250D provides that a body corporate- appointed proxy may in turn appoint an individual to exercise the rights under the proxy.
- 7 **Send or deliver the Certificate to the Company's Registered Office at St Martins Tower, Level 24, 31 Market Street, Sydney or fax the Certificate to the Registered Office at (02) 9267 4388.**

e-pay Asia Limited

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NOTES ON COMPLETION OF PROXY FORMS

Signing of the proxy Form

Each person registered as the holder of shares must sign the proxy form personally or by a duly appointed attorney or agent

If a proxy is given by a corporation, a form of proxy must be executed for and on behalf of the corporation or under the hand of its attorney.

If a proxy is executed by an attorney of a Shareholder the attorney must declare that the attorney has no notice of revocation of the power of attorney and the relevant power of attorney if it has not already been noted by the company, must accompany the form of proxy.

Entitlement to appoint Proxies

A Shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies who need not be Shareholders of the Company.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. A proxy need not be a Shareholder of the Company.

Lodgement of Proxy Form

Proxy forms must be received at the Company's registered office, e-pay Asia Limited, Level 24, 31 Market Street Sydney NSW, Australia, not less than 48 hours before the time appointed for holding the meeting.

Proxies may also be faxed to the Share Registry of e-pay Asia Limited on (02) 02 9267 4388.

Point at which Voting Rights are Determined

The Corporations Regulation 7.11.37 permit the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company's Directors have passed a resolution to the effect that all shares of the Company that are listed on the Company's Share Register on the day preceding at 7.00 pm EDST shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at the time.

Corporate Representative

In order to vote on behalf of the company that is a Shareholder of the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the General Meeting or be presented at the meeting before registering on the Attendee Register for the General Meeting. An Appointment of Corporate Representative form is enclosed if required.