

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

ASX Announcement

23 July 2010 – 1:1 Renounceable Rights Issue

E-Pay Asia Limited (ASX: EPY) (**Company**) is pleased to announce its intention to undertake a 1:1 renounceable rights issue (**Rights Issue**).

The Rights Issue will be on the basis of one (1) new fully paid ordinary share (**New Share**) for every one (1) existing fully paid share held by shareholders (**Eligible Shareholders**) of the Company with registered address in Australia, New Zealand and Hong Kong as at 7.00pm EST on 3 August 2010 (**Record Date**) at an issue price of 9 cents (\$0.09) per New Share (**Offer**).

The Offer will result in the issue of approximately 28,465,160 New Shares in the Company to raise \$2,561,864 before costs of the Offer and is renounceable. Eligible Shareholders not wishing to take up their entitlement under the Offer will be able to trade their Entitlements. Full details of how Eligible Shareholders can trade their Entitlements will be set out in the Prospectus.

The Rights Issue will be fully underwritten by Centurion Portfolio Sdn. Bhd. (Company No. 91687-K), an entity related to Mr Simon Loh. Full details of the underwriting arrangements and their effect on the Company will be contained in the Prospectus.

During the last two years, the Company has been focussing on advancing its business in Malaysia and reducing costs, to enhance shareholder value.

The Offer has been undertaken to strengthen the financial position of the Company to withstand economic uncertainty, enable the Company to meet its corporate expenses, to drive growth plans for its existing businesses and to position the Company to capitalise on strategic acquisition opportunities.

The Company intends to lodge a Prospectus relating to the Rights Issue and undertake the Offer in accordance with the indicative timetable set out below.

The Company has applied to ASX for quotation of the New Shares to be offered under the Offer. The Prospectus containing Entitlement and Acceptance Forms will be despatched to all Eligible Shareholders in accordance with the indicative timetable set out below.

Indicative Timetable:

Event	Date
Announcement of issue	On or before market opens on Friday 23 July 2010
Lodgement of prospectus at ASIC (and giving a copy to ASX) and lodgement of Appendix 3B at ASX	Before market opens on Friday 23 July 2010
Despatch notice to Shareholders containing appendix 3B information	Monday 26 July 2010
Shares quoted on a "EX" basis	Tuesday 27 July 2010

Rights trading commences	Tuesday 27 July 2010
Record Date for determining Entitlements	Tuesday 3 August 2010
Prospectus and Entitlement and Acceptance Forms sent to Shareholders and announcement that the despatch has been completed by 12 noon	Friday 6 August 2010
Rights trading ends	Tuesday 17 August 2010
Shares quoted on deferred settlement basis	Wednesday 18 August 2010
Acceptances Close at 5pm	Tuesday 24 August 2010
Notification to ASX of any under subscriptions	Friday 27 August 2010
Shares allotted and holding statements despatched, deferred trading ends, confirmation of appendix 3B particulars, Shares allotted	Wednesday 1 September 2010
Trading in New Shares commences	Thursday 2 September 2010

If any changes are made to the indicative timetable, details will be announced on ASX.

Shareholders with registered addresses outside of Australia, New Zealand and Hong Kong on the Record Date (**Overseas Shareholders**), will not be eligible to participate in the Offer. The Company has determined that it is unreasonable to extend the Offer to Overseas Shareholders, having regard to the number of Shareholders residing in such jurisdictions, the number and value of New Shares they would be offered and the costs of complying with the legal, governmental and other regulatory requirements in those jurisdictions.

The Company will arrange a facility, in accordance with the Corporations Act 2001 (Cth) and the ASX Listing Rules, for the Entitlements of Overseas Shareholders to be sold by a nominee and for the net proceeds of the sales to be paid to Overseas Shareholders.

Full details of the Offer will be contained in the Prospectus that will be lodged in accordance with (subject to any changes to) the indicative timetable and mailed to all Shareholders who are registered Eligible Shareholders on the Record Date. All Shareholders should read the Prospectus carefully and seek professional advice from their stockbroker or accountant if they are unsure of any issues pertaining to the Offer.

For and on behalf of the Board

Robert Lees

Company Secretary

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