

**Fully Underwritten Renounceable Rights Issue – Letter to Foreign Holders**

The attached letter has today been despatched to all E-Pay Asia Limited shareholders with a registered address outside of Australia, New Zealand or Hong Kong.

For and on behalf of the Board

Robert Lees  
Company Secretary

26 July 2010

Dear Shareholder,

### **E-Pay Asia Limited Fully Underwritten Renounceable Rights Issue**

On 23 July 2010, E-Pay Asia Limited (**EPY**) announced a 1 for 1 pro rata renounceable rights issue to Shareholders at \$0.09 (9 cents) per share to raise approximately \$2,561,864 before issue costs (**Rights Issue** or **Offer**).

The funds raised, together with EPY's existing cash reserves, will be utilised for:

- working capital;
- strategic acquisitions; and
- meeting other corporate and offer costs.

The Prospectus in relation to the Rights Issue was lodged with the Australian Securities & Investments Commission and ASX on 23 July 2010 and is available on the ASX website and also on the Company's website [www.epay-asia.com](http://www.epay-asia.com).

The indicative timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
Announcement of Offer	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 (Closing Date) 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

The timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors of the company reserve the right to vary these dates, including the Closing Date, without prior notice.

The Rights Issue is fully underwritten by Centurion Portfolio Sdn. Bhd. (Company No. 891687-K).

In accordance with ASX Listing Rules, EPY has considered the number of shareholders of EPY with registered addresses outside Australia, New Zealand and Hong Kong, the number and value of the shares held by those shareholders and the number of new Shares those shareholders would be offered pursuant to the Rights Issue. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses outside of Australia, New Zealand and Hong Kong, EPY has formed the view that it is unreasonable to extend the Rights Issue to shareholders outside of Australia, New Zealand and Hong Kong (**Ineligible Shareholders**) and that the offer pursuant to the Rights Issue will only be extended to EPY Shareholders on record as at 7pm AEST on 3 August 2010 with registered addresses in Australia, New Zealand or Hong Kong (**Eligible Shareholders**).

**Accordingly, as an Ineligible Shareholder with a registered address outside of Australia, New Zealand or Hong Kong, the offer pursuant to the Rights Issue will not be extended to you and you will not be entitled to participate in the Rights Issue.**

This notice is to inform you about the Offer. This letter is not an offer to issue shares to you, nor an invitation for you to apply for shares. You are not required to do anything in response to this letter.

## **WHAT WILL HAPPEN TO YOUR ENTITLEMENT**

As you are an Ineligible Shareholder, you will not receive Entitlements under the Entitlement Offer. Instead, the Entitlements which you would have received if you were an Eligible Shareholder will be transferred to a nominee appointed by EPY (**Nominee**) to be sold on your behalf, in accordance with section 615 of the Corporations Act. The Nominee will offer the Entitlements of Ineligible Shareholders for sale on ASX during the Rights trading period. You will be paid the average price of Entitlements sold on ASX by the Nominee less the transaction costs associated with the sale (e.g. brokerage costs). Your share of the net sale proceeds will be distributed to you by cheque in Australian dollars and drawn on an Australian bank as soon as practicable after the allotment of shares under the Offer (expected to occur on 27 August 2010).

There is no guarantee that the Nominee will be able to sell the Entitlements of Ineligible Shareholders on ASX and accordingly, you may receive no value for your Entitlements. Neither the Nominee nor the Underwriter of the Offer takes any responsibility for the outcome of the sale of your Entitlements on ASX or the failure to sell such Entitlements. Ineligible Shareholders who acquire Entitlements on ASX will not be entitled to exercise such Entitlements to subscribe for shares under the Offer will not obtain any value for such Entitlements via the Nominee sale procedures described above.

Please contact Mr Robert Lees on:

- Email: [robert@coysec.com.au](mailto:robert@coysec.com.au)
- Phone: +61 2 9299 9580
- Fax: +61 2 9299 9501

if you have any queries regarding the Rights Issue or your eligibility to participate in the Rights Issue.

For and on behalf of the Board

Robert Lees

Company Secretary