

ASX Announcement

26 July 2010

**FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE – NOTICE TO
SHAREHOLDERS**

The attached letter is today being despatched to all Shareholders of E-Pay Asia Ltd.

For and on behalf of the Board
Robert Lees
Company Secretary

For further information:

www.epay-asia.com



26 July 2010

Dear Shareholder,

E-Pay Asia Limited 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**).

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.

The indicative timetable for the Rights Issue is as follows:

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

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 for all EPY shareholders on record as at 7pm on 3 August 2010 with registered addresses in Australia, New Zealand or Hong Kong. Entitlements to New Shares pursuant to the Rights Issue are renounceable and accordingly can be traded on ASX.

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

Accompanying this letter is an Appendix 3B Notice. The Prospectus containing the Entitlement and Acceptance Form will be despatched to all Eligible Shareholders of the Company registered at the Record Date on 6 August 2010.

This notice will be sent to all EPY shareholders today.

For and on behalf of the Board



Robert Lees
Company Secretary

E-Pay Asia Limited – Renounceable Rights Issue

Appendix 3B Notice to Shareholders

The following information with respect to the renounceable rights issue of Ordinary Shares being undertaken by E-Pay Asia Limited is provided to Shareholders in accordance with the ASX Listing Rules. Full details of the Offer are contained in the Prospectus which will be despatched to all Eligible Shareholders of the Company registered at the Record Date, on 3 August 2010.

The Prospectus has been lodged with ASIC and ASX and is available for viewing on the ASX website and on the Company's website at www.epay-asia.com

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	28,465,160 fully paid Ordinary Shares to be issued in accordance with a 1 for 1 entitlement offer (rights issue).
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid Ordinary Shares
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes

+ See chapter 19 for defined terms.

5	Issue price or consideration	\$0.09 (nine cents) per Ordinary Share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ul style="list-style-type: none"> ➤ Working capital; ➤ Strategic acquisitions; and ➤ Meeting other corporate and entitlement offer costs. 	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	Anticipated 1 September 2010	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		56,930,320	Ordinary Shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		None	None
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable	
11	Is security holder approval required?	No	
12	Is the issue renounceable or non-renounceable?	Renounceable	
13	Ratio in which the ⁺ securities will be offered	1 for 1	
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary Shares	
15	⁺ Record date to determine entitlements	3 August 2010	

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Up to nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	The offer is not being extended to any shareholders whose registered address is outside Australia, New Zealand and Hong Kong
19	Closing date for receipt of acceptances or renunciations	24 August 2010
20	Names of any underwriters	Centurion Portfolio Sdn. Bhd. (Company No. 891687-K) (Registered in Malaysia)
21	Amount of any underwriting fee or commission	5% of underwritten amount
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Anticipated 6 August 2010

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
28	Date rights trading will begin (if applicable)	27 July 2010
29	Date rights trading will end (if applicable)	17 August 2010
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Section 3 of the Prospectus
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Section 3 of the Prospectus
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Section 3 of the Prospectus
33	⁺ Despatch date	Anticipated 1 September 2010