

**LML ANNOUNCES FIRST QUARTER 2007 CONFERENCE CALL**

VANCOUVER, BC, August 4, 2006 – LML PAYMENT SYSTEMS INC. (the “Corporation”) (Nasdaq: LMLP) announces management will host a conference call on Tuesday, August 8, 2006 at 2:00 p.m. Pacific Time (5:00p.m. Eastern Time), to discuss the Corporation’s results for the first quarter of fiscal 2007, which will be released at the market close on August 8, 2006.

To participate in the conference call, please dial in 5-10 minutes before the start of the call and follow the operator’s instruction. If you are calling from the United States or Canada, please dial 888-850-5066. International callers please dial 206-315-8587. Please enter Participant Conference Entry Code 965408 (followed by the # key) when prompted.

If you are unable to join the call, a telephone replay will be available through August 22, 2006 by dialing 800-207-7077 from within the U.S. or Canada, or 314-255-1301 if calling internationally. Please reference PIN number 4989 when prompted.

About LML Payment Systems Inc. (www.lmlpayment.com)

The Corporation, through its subsidiary LML Payment Systems Corp., is a financial payment processor providing check processing solutions including electronic check authorization, electronic check conversion (ECC) and primary and secondary check collection including electronic check re-presentation (RCK) to national, regional and local retailers. We also provide selective routing of debit, credit and EBT transactions to third party processors and banks for authorization and settlement. The Corporation’s intellectual property estate, owned by subsidiary LML Patent Corp, includes U.S. Patent No. 6,354,491, No. 6,283,366, No. 6,164,528, and No. 5,484,988 all of which relate to electronic check processing methods and systems.

Statements contained in this news release which are not historical facts are forward-looking statements, subject to uncertainties and risks. For a discussion of the risks associated with the Corporation’s business, please see the documents filed by the Corporation with the SEC.

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