

**ESTATE TO INITIATE PLANNED TRADING PLAN**

VANCOUVER, BC, August 22, 2006 – LML PAYMENT SYSTEMS INC. (the “Corporation”) (Nasdaq: LMLP) today announced that the Corporation has been advised the Estate of Robert E. Moore (the “Moore Estate”) has adopted a prearranged plan to sell a portion of its holdings in the Corporation. The Corporation has been further advised the objective of this plan is to facilitate the orderly sale of common stock for estate administration and tax planning purposes.

Under the terms of the plan, which has been adopted in compliance with Securities and Exchange Commission Rule 10b5-1, the Moore Estate, directly and through companies formerly controlled by Mr. Moore, plans to sell up to 200,000 shares of the Corporation’s common stock over three (3) months, beginning in September, 2006. In total, these shares represent approximately 3.9% percent of the Moore Estate’s holdings. The Corporation has been advised that all sales of the Corporation’s common stock by the Moore Estate will comply with applicable U.S. securities laws, including Rule 144 thereunder if applicable.

The Moore Estate’s total equity ownership in the Corporation today is 5,086,018 shares which represents 25.2% of the Corporation’s outstanding common stock.

Rule 10b5-1 permits the adoption of written, prearranged trading plans by insiders at times when they do not have material, non-public information. Using these plans, insiders and affiliates can gradually diversify their investment portfolios and spread stock trades over an extended period of time to reduce potential market impact. Once a plan is established, the insider retains no discretion over sales under the plan, and the pre-planned trades can be executed through a broker without regard to any subsequent material non-public information that the insider may acquire.

The Corporation has been advised that the Moore Estate will make all required filings with the Securities and Exchange Commission in connection with its disposition of shares of the Corporation’s common stock, including required filings on Form 4.

About LML Payment Systems Inc.

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-presentment (RCK) to 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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