



NEWS RELEASE

FOR IMMEDIATE RELEASE

**Billing Services Group Limited
Purchase of Connection Services Holdings Limited**

August 31, 2012 (San Antonio, TX) – Billing Services Group ('BSG' or the 'Company'), a leading provider of clearing, settlement, payment, financial risk management solutions and Wi-Fi data clearing, announces the acquisition of the issued share capital of UK-based Connection Services Holdings Limited ('CSL').

CSL is a leading Wi-Fi solutions provider and systems integrator, providing value added solutions to the Wi-Fi network operator and service provider marketplace. This purchase allows BSG to expand its product line and customer base in the wireless data market. The purchase also helps diversify the Wireline portfolio and positions the Company as a Wi-Fi solutions industry leader with expansion of the tier one customer base, addition of veteran leadership and an industry leading product portfolio.

"The purchase of CSL positions BSG to be the pacesetter in Wi-Fi solutions for service providers." said Norm Phipps, Interim CEO of Billing Services Group. "We understand that to meet the needs of mobile carriers and Wi-Fi operators around the world we need to provide flexible solutions that enhance the user experience and encourage adoption. The addition of CSL's products allows us to meet our customers' needs in this rapidly growing market."

Chris Phoenix, CEO of CSL, stated, "The combination of the CSL management team with BSG's proven executives bolster the ability for rapid growth and market leadership. We're delighted to be part of this growth story."

The purchase price is £1.4 million of initial consideration payable in cash which will be utilized to acquire the issued shares of CSL and to retire certain shareholder loans and other obligations. There is also an earn out, capped at a maximum of £4.6 million, based on the achievement of certain levels of revenue. There is no earn out if CSL does not achieve £2.5 million in revenue for the twelve months ended March 31, 2013. The maximum consideration is payable if revenues of £5,264,000 are achieved by CSL for the fiscal year ending March 31, 2013. Subject to the ability of certain of the shareholders of CSL to require that up to £500,000 in aggregate of the additional consideration be paid in cash, the additional consideration may be in the form of cash, BSG shares or a combination of cash and BSG shares at the Company's option.

The Company does not expect the acquisition to have a material financial impact in the year ending December 31 2012, although CSL is expected to record a trading loss of approximately \$550,000 for the four month period ending December 31, 2012.

The Company will finance the purchase with a short term loan from its existing bank group, led by Texas Capital Bank. Under this new loan facility, the Company will borrow \$3.5 million to allow for the payment of the initial consideration and to provide working capital as necessary to CSL. BSG expects to repay the loan in the first quarter of 2013.

In the year ended March 31, 2012, CSL recorded aggregate external revenue of £1,104,000 and a loss of £652,000.

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About BSG:

BSG is headquartered in San Antonio, Texas, USA and traded on the London Stock Exchange (AIM: BILL). For more information on BSG, visit www.bsgclearing.com.