ASX: TTV

A S X R E L E A S E

7 October 2010

New Perpetual Technology Licence Agreement

Two Way Limited (**the Company**) has entered into a new licence agreement with its sister company in the United Kingdom, Two Way Media Limited (**TWMUK**).

Under an existing licence agreement signed in April 2000, the Company has received licences from TWMUK of certain valuable technology used by the Company in its business. In return, the Company has been paying licence fees, initially in the sum of $500,000 per annum. The scope of the licence was reduced in 2007, and the licence fee was reduced to $250,000 per annum.

The Company's first option to terminate the existing licence agreement was due in October 2011. If that option was not exercised, the Company had further options to terminate on every fifth anniversary of that date, commencing in October 2016.

The Company was due to make payments totalling $333,000 to TWMUK under the existing licence agreement for the period up to October 2011.

Under the new arrangement announced today, the Company will pay TWMUK a total of $286,000, with the final payment due by the end of January 2011. In return, **the licences will become perpetual**, with **no further licence fees payable**.

Chief Executive Officer and Managing Director, Mr Ben Reichel, said "We are pleased to be entering into a new era in our long-standing technology licence arrangement with Two Way Media UK. Under the new deal announced today, we will retain ongoing perpetual licences to all of their valuable technology that we are currently using in our business.

"The cancellation of the licence fees will dramatically improve our cash flow after January 2011. It will also dramatically improve our bottom line for the 2012 financial year onwards. For the first time since 2000, the Company will no longer be paying cash for external technology licences."

<u>For further information:</u>

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ABOUT TWO WAY LIMITED (ASX: TTV)

Two Way creates advanced interactive media and gambling applications. Our competitive strengths include our specialised expertise, patented technology, and library of interactive applications, which can be deployed on TV, mobile or internet.

Two Way has developed an award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and FOXTEL, which has now been extended to include Racing and Wagering Western Australia (RWWA) and UNiTAB Limited (ASX:TTS). Two Way has the potential to establish similar relationships with other wagering and broadcasting partners throughout Australia and overseas.

Our interactive wagering technology offers advanced betting features and related information, and utilises the latest synchronisation techniques to enhance the user experience. This technology can be applied to both racing and sports betting applications.

Our Way2Bet portal offers an extensive range of information resources to help punters bet better. These services are available via online and mobile platforms at www.way2bet.com.au and way2bet.mobi.

Two Way's products are currently being deployed by leading wagering and interactive TV operators in Australia and New Zealand. Our clients include Tabcorp, RWWA, UNiTAB, FOXTEL, Austar, Optus TV and Sky New Zealand.

To learn more about Two Way visit www.twowaytv.com.au