

ASX RELEASE

20 December 2010

Securities Trading Policy

In accordance with the new ASX Listing Rule 12.9, which comes into effect on 1 January 2011, Two Way Limited's Securities Trading Policy is attached.

The policy can also be viewed on the Company's website at www.twowaytv.com.au.

For further information:

Ben Reichel

Chief Executive Officer and Managing Director

Phone: +612 9017 7000 or 0412 060 281

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, Sportingbet, FOXTEL, Austar, Optus TV and Sky New Zealand.

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

TWO WAY LIMITED
SECURITIES TRADING POLICY

1. INTRODUCTION TO THE POLICY

1.1. Objectives of the Policy

This document details the Company's policy in relation to trading in Company securities and related matters and applies to all Group Personnel.

1.2. Board Approval

The Board approved this Policy on 18 March 2010, and it takes effect from that date. This Policy supercedes any previous securities trading policy of the Company. The Board may approve amendments to this Policy as may be required.

1.3. Definitions

Unless the contrary intention is expressed in this Policy, the following words (when used in this Policy) have the meaning set out below:

- ASX means the Australian Stock Exchange Limited.
- ASX Listing Rules means the rules issued by the ASX from time to time for the listing of an entity's securities on the ASX.
- Board means the board of directors of the Company.
- Chairman means the Director appointed to the position of chairman of the Board from time to time.
- Chief Executive Officer means the person appointed by the Board to the position of chief executive officer and/or managing director of the Company from time to time.
- Company means Two Way Limited ABN 28 007 424 777, having its registered office at Suite 2.05, 55 Miller Street, Pyrmont NSW 2009 Australia.
- Company Secretary means the person appointed by the Board to the position of company secretary from time to time.
- Corporations Act means the *Corporations Act 2001* (Cth).
- Deal means apply for, acquire, dispose of, or enter into an agreement to apply for, acquire or dispose of securities, as agent or principal, and whether or not securities are held in a person's own name or by affiliates (including spouses and children, family trusts, controlled companies and Related Parties).
- Director means a director of the Company.
- Employee means a person employed by the Company or any company in the Group, either on a permanent full time or permanent part time basis.
- Employee means a person employed by the Company or any company in the Group, either on a permanent full time or permanent part time basis.
- Group means the Company and its subsidiaries.
- Group Personnel means Employees, Senior Management, the Chief Executive Officer and Directors of the Group.
- Inside Information means information which:
 - (i) is not generally available; and

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- (ii) if it were generally available, a reasonable person would expect to have a material effect on the price or value of particular securities.
 - Related Party has the meaning given to that term in section 228 of the Corporations Act.
 - Senior Management means those employees who report directly to the Chief Executive Officer.

2. INSIDER TRADING PROHIBITED

- 2.1 If a person possesses Inside Information, where the person knows or ought reasonably to know that the information is Inside Information, it is a criminal and civil offence to:
- Deal in the relevant securities (including Company securities);
 - Procure or encourage anyone else to Deal in the relevant securities (including Company securities); or
 - Communicate or pass the information to anyone else you know, or ought reasonably to know, will or is likely to Deal in the relevant securities (including Company securities) or procure or encourage someone else to do so.
- 2.2. It does not matter how a person comes to possess Inside Information (including whether it is in the course of carrying out work-related responsibilities or otherwise).
- 2.3. In determining whether information is Inside Information, the financial impact of the information is important, but strategic and other implications can be equally important. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.
- 2.4. The following list is illustrative only. Inside Information could include information about:
- the financial performance of the Group against its budget;
 - a possible acquisition or sale of any assets by the Group;
 - a possible change in the Group's capital structure;
 - a proposed dividend;
 - Senior Management changes;
 - development of a new product; or
 - any possible claim against the Group or other unexpected liability.
- 2.5. This prohibition applies to all people, regardless of whether they are Group Personnel, Directors, Senior Management, Employees or contractors.

3. CONFIDENTIAL INFORMATION

Group Personnel have a duty of confidentiality to the Group and must not:

- (a) reveal any confidential information concerning the Group (other than as is appropriate or permitted in connection with work-related responsibilities);
- (b) use any confidential information in any way which may injure or cause loss to the Company or the Group; or
- (c) use any confidential information in any way to gain a personal advantage or an advantage for others.

When any confidential information concerning the Group is disclosed to external advisors, or other third parties, those advisors and third parties must be made aware of the confidential nature of the information.

4 DEALING IN COMPANY SECURITIES

4.1 Trading Windows

Subject to the overriding prohibition on insider trading above, Group Personnel may only Deal in Company securities during the following Trading Windows, unless approval is obtained at other times in accordance with paragraph 4.2:

- a) the period of four (4) months commencing on the next trading day after the half year results announcement; and
- b) the period of four (4) months commencing on the next trading day after the full year results announcement.

However, Group Personnel must not trade in Company securities at any time, including during a Trading Window, if in possession of Inside Information.

4.2 Trading at Other Times

If, due to a genuine and pressing requirement for funds, any member of Group Personnel needs to sell Company securities, and this need arises outside a designated Trading Window, the Chairman may grant a waiver to allow the sale of Company securities to satisfy that need. Such a waiver will not be granted by the Chairman unless he is satisfied that the person does not possess Inside Information. A request to sell Company securities outside the Trading Windows must be made in writing in advance of the proposed sale, through the Company Secretary. The Company Secretary will keep a record of all such waivers granted.

4.3 Trading Procedure for Directors and Senior Management

Directors and Senior Management are in positions where it may be assumed that they have access to Inside Information and, as a result, any Dealings in Company securities by these persons may embarrass or reflect badly on them or on the Company (even if they have no actual Inside Information at the time). This Policy is designed to avoid the possibility that such misconceptions, misunderstandings or suspicions might arise.

For this reason, if Directors and Senior Management wish to Deal in Company securities at any time of the year, including during designated Trading Windows, they must:

- a) if a Director, first advise the Chairman, and if a member of Senior Management, advise the Company Secretary, of their intention to Deal in Company securities;
- b) confirm that they do not possess any Inside Information; and
- c) wait to be advised by the Chairman, or Company Secretary, that they can Deal in Company securities.

4.4 Notification to ASX by Directors

The Corporations Act requires Directors to give written notice to the ASX of all Dealings in Company securities. Furthermore, the ASX Listing Rules require this notice be given within five (5) business days of such dealings. Directors must ensure they notify the Company Secretary of any Dealings as soon as reasonably possible, and in any event within two (2) business days of the Dealing, whether or not it occurs during a Trading Window. The Company will then give notice to the ASX on behalf of the Director.

4.5 Notification by Senior Management

All members of Senior Management are required to notify the Company of Dealings in Company securities within 14 days of such Dealings, whether or not it occurs during a Trading Window. Notification must be made in writing to the Company Secretary detailing:

- a) name of Senior Manager;
- b) date of transaction;
- c) type of transaction (such as sale or purchase);
- d) number of securities; and
- e) price per security.

4.6 Restrictions extend to Securities in addition to Shares

The restriction on Dealing in securities in this Policy applies to all Dealing in the Company's shares and extends to trading in other types of securities, including options, warrant contracts, debentures or notes issued by the Company.

4.7 Exceptions

The requirement in paragraph 4.1 that Group Personnel only Deal in Company securities during the defined Trading Windows does not apply to participation in any Employee Share Option Plan, Employee Share Plan, Dividend Reinvestment Plan or any other similar plan which the Company may implement. However the requirement does apply to Dealing in Company securities to which Group Personnel may become entitled under those Plans. Participation in any Plan is subject to insider trading laws at all times.

5. COMPLIANCE WITH INSIDER TRADING LAWS

- 5.1 Compliance with this Policy does not imply approval by the Board of any transaction, as it is the individual responsibility of Group Personnel to ensure that they comply with all provisions of the relevant insider trading laws.
- 5.2 Under the Corporations Act, any person who contravenes the prohibition against insider trading may be found liable to civil and criminal penalties. The current criminal penalty in Australia is a maximum fine of \$220,000 or five years imprisonment (or both) for an individual, and a maximum fine of \$1,000,000 for a corporation.

6. BREACHES OF POLICY

- 6.1 Strict compliance with this Policy is a condition of employment. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.

7. ACCESS TO THIS POLICY

- 7.1 This policy will be available for viewing by all Group Personnel, in both hard copy, and on one of the following Company server, "*Corporate on'ttv-aus-svr01*" (N:drive). The Policy is also available for viewing by any other person on the Company's website.

8. REVIEW OF THIS POLICY

- 8.1 This Policy is subject to regular review by the Board and will be amended as appropriate, from time to time.

9. **COMPANY CONTACTS**

- 9.1 Group Personnel should direct their questions about this Policy to the Company Secretary.