

ASX RELEASE

29 June 2011

Appendix 3B and Rights Issue Offer Documents

In accordance with the timetable included in the announcement that Two Way Limited (the **Company**) is to conduct a non-renounceable rights issue under Section 708AA of the Corporations Act 2001, the Company lodges the following documents:

- Appendix 3B in relation to the Offer;
- Rights Issue Cleansing Notice; and
- Rights Issue Offer Document.

A hardcopy of the Offer Document, including a personalised Entitlement and Acceptance Form will be sent to all eligible shareholders shortly.

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

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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Two Way Limited

ABN

28 007 424 777

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,992,100 fully paid ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Issued of New ordinary shares under a non-renounceable rights issue and ranking equally with existing class of quoted ordinary shares. |

+ See chapter 19 for defined terms.

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes					
5 Issue price or consideration	\$0.03					
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Fund working capital.					
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	2 August 2011					
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> </tr> </thead> <tbody> <tr> <td>230,913,104</td> </tr> </tbody> </table>	Number	230,913,104	<table border="1"> <thead> <tr> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>Ordinary fully paid shares (TTV)</td> </tr> </tbody> </table>	⁺ Class	Ordinary fully paid shares (TTV)
Number						
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⁺ Class						
Ordinary fully paid shares (TTV)						

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>a) 1,890,000 Comprising 2 series: Series A of 529,200; Series B of 1,360,800</td><td>Options expiring as follows: Series A expires 30 June 2011, exercise price \$0.075 (TTVAQ) Series B expires at various dates from 30 June 2011, exercise price varies. (TTVAQ)</td></tr></table>	Number	⁺ Class	a) 1,890,000 Comprising 2 series: Series A of 529,200; Series B of 1,360,800	Options expiring as follows: Series A expires 30 June 2011, exercise price \$0.075 (TTVAQ) Series B expires at various dates from 30 June 2011, exercise price varies. (TTVAQ)
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged from that set out in the Company's IPO prospectus dated 19 November 2004.				

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1 ordinary share for every 10 shares held by Australian and New Zealand resident shareholders as at 7:00pm (AEST) on 7 July 2011 at the price of \$0.03 per ordinary share
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary shares
15	⁺ Record date to determine entitlements	7 July 2011

⁺ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number of ordinary shares.
18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries except Australia and New Zealand. Shareholders with registered addresses in countries other than Australia and New Zealand are non-qualifying shareholders who will be sent the offer document for information purposes only.
19	Closing date for receipt of acceptances or renunciations	22 July 2011
20	Names of any underwriters	E.L. & C. Baillieu Stockbroking Limited
21	Amount of any underwriting fee or commission	Underwriting fee: 2% of total proceeds of \$629,763; and Management fee: 2% of total proceeds of \$629,763.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	N/A
25	If the issue is contingent on *security holders' approval, the date of the meeting	Not conditional on security holder approval.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	8 July 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	28 June 2011
28	Date rights trading will begin (if applicable)	N/A

29	Date rights trading will end (if applicable)	N/A
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Despatch date	2 August 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000

+ See chapter 19 for defined terms.

5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 ☐ A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

38 Number of securities for which *quotation is sought

39 Class of *securities for which quotation is sought

40 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

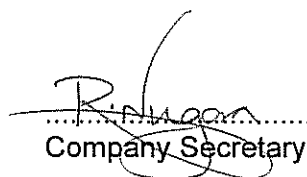
	Number		*Class	
42 Number and *class of all *securities quoted on ASX (including the securities in clause 38)				

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
Company Secretary

Date: 29 June 2011

Print name: Rointon Nugara

Two Way Limited

ACN 007 424 777

RIGHTS ISSUE CLEANSING NOTICE

29 June 2011

Two Way Limited (Company) will make a non-renounceable pro-rata rights offer to shareholders who are registered at 7.00pm AEDT on 7 July 2011 (**Record Date**) and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**) of up to 20,992,100 fully paid ordinary shares each at an issue price of \$0.03 to raise approximately \$629,763 (before expenses) on the basis of 1 Share for every 10 Shares held (**Offer**).

Shareholders with registered addresses outside of Australia and New Zealand (**Non-Resident Shareholders**) are not entitled to participate in the Offer. The Company has determined, in accordance with the Act and Rule 7.7 of the Listing Rules of ASX Limited (**Rules**) that it would be unreasonable to make the offer to Non-Resident Shareholders having regard to the number of Non-Resident Shareholders in each country other than Australia and New Zealand, the number and value of the shares that would be offered to them and the cost of complying with the legal requirements in countries other than Australia and New Zealand.

An Offer Document, a copy of which has been lodged with this notice, will be sent to Eligible Shareholders together with an entitlement and acceptance form.

The Company gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (**Act**) of the following.

1. The Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act.
2. The Company is providing this notice under s708AA(2)(f) of the Act.
3. As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act.
4. As at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the Shares.

5. The potential effect the issue of the shares under the Offer will have on the control of the Company is as follows:
- (a) if all eligible shareholders take up their entitlement, each eligible shareholder's percentage interest in the total issued shares of the Company will remain the same and will not be diluted; and
 - (b) if some but not all Eligible Shareholders take up their entitlement, and the Shortfall is taken up by other Eligible Shareholders as Shortfall Shares or under the underwriting agreement, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their entitlement will remain the same and will increase if they take up Shortfall Shares. The precise level of change in the percentage interests will depend on the take up of entitlements.

It is not expected that the Offer will have any material effect on control of the Company.

6. The capital structure of the Company on completion of the Offer will be as follows (assuming none of the Options currently on issue are exercised before the Record Date):
- (a) Shares currently on issue 209,921,004
 - (b) Shares offered under the Offer (estimated) 20,992,100
 - (c) Total shares on issue on completion of the Offer (est) 230,913,104

Date: **29 June 2011**



Stuart McGregor
Chairman

TWO WAY LTD

ACN 007 424 777

RIGHTS ISSUE OFFER DOCUMENT

For a pro rata non-renounceable offer of New Shares at an issue price of \$0.03 each on the basis of 1 (one) New Share for every 10 (ten) Shares held at the Record Date.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

This document is important and should be read in its entirety. If you do not understand its contents, you should contact your stockbroker, accountant or other professional adviser without delay.

This document is dated 29 June 2011.

IMPORTANT INFORMATION

Defined terms and abbreviations used in this Offer Document are explained in section 6.

Entitlement and Acceptance Forms

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

No representation

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Foreign jurisdictions

No action has been taken to permit the offer of New Shares under this Offer Document in any jurisdiction other than Australia and New Zealand. Shareholders with registered addresses outside Australia and New Zealand are not entitled to apply for New Shares under this Offer and will not be sent an Offer Document or an Entitlement and Acceptance Form.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, underwriters and sub-underwriters of the Offer, agents, contractors and third party service providers, including mailing houses and professional advisers, and the ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

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CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to offer you a new opportunity to add to your investment in Two Way Limited (the Company) as the Company continues to commercialise its technology across Australia.

The share offer (enclosed) is a fully underwritten non-renounceable pro rata rights issue to existing shareholders on the basis of one new share for each ten shares held on the record date, at a price of 3 cents per new share.

The issue will raise approximately \$0.63 million before costs of the issue. These funds will be used as working capital as the Company continues to develop, roll out and promote its TV wagering service on a national basis, now that regulatory approval has been received in all mainland States.

The offer is 50% underwritten by E L & C Baillieu Stockbroking Limited.

Two Way also announces that a potential strategic investor is currently conducting due diligence on the Company, as a result of the strategic review announced on 12 May 2011 and conducted with the assistance of Bell Potter Securities Limited. This may lead to a further placement of capital in the near future, which would increase the financial flexibility of the Company.

Your Company continues to make good progress with its strategy. The Company has successfully launched its TV wagering service in four mainland states (Victoria in April 2008, New South Wales in October 2008, Queensland in April 2011 and South Australia in June 2011). Western Australia is scheduled to come online in July 2011. For the first time, the Company will be able to effectively promote the service nationally. The Board continues to believe that a national deployment of the TV wagering service offers significant potential for growth.

The Company also continues to promote its Way2Bet online and mobile wagering portal, and is working on a number of exciting new opportunities in the IPTV and Smart TV space. The first of these opportunities are the exclusive deals we have announced with Sportingbet and Betfair.

I encourage you to read all of the information enclosed with this letter in relation to the pro-rata issue. If you have any queries, please consult your financial adviser.

I welcome your continued support of Two Way at this important stage of the Company's development.

Yours faithfully



Stuart McGregor
Chairman

1. DETAILS OF THE OFFER

1.1 Offer

The Company is making a pro rata non-renounceable offer of New Shares at an issue price of \$0.03 each to Eligible Shareholders on the basis of 1 (one) New Share for every 10 (ten) Shares held on the Record Date.

As at the Record Date, the Company has on issue 209,921,004 Shares and 1,890,000 unlisted options. The Company expects that 20,992,100 New Shares will be issued under the Offer, raising \$629,763 before costs.

The Offer is 50% underwritten by E L & C Baillieu Stockbroking Limited.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

1.2 Indicative Timetable

Lodgement of Appendix 3B, Offer Document and Section 708AA Cleansing Notice	Wednesday 29 June 2011
Notice sent to shareholders advising details of the share offer	Thursday 30 June 2011
Shares quoted ex-rights	Friday 1 July 2011
Record Date for determining entitlements	Thursday 7 July 2011
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders	Friday 8 July 2011
Closing Date of Offer	Friday 22 July 2011
Securities quoted on a deferred settlement basis	Monday 25 July 2011
Notification to ASX of under subscriptions	Wednesday 27 July 2011
Despatch of Share holding statements	Tuesday 2 August 2011
Expected commencement of trading of New Shares	Wednesday 3 August 2011

Dates are subject to change and indicative only. The Company reserves the right to amend this timetable, subject to the Corporations Act and the Listing Rules, including extending the Closing Date and accepting valid applications after the Closing Date in its absolute discretion.

1.3 Entitlement and acceptance

The entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. The Entitlement and Acceptance Form enclosed with this Offer Document shows your entitlement.

This Offer may be accepted in whole or in part. Eligible Shareholders who take up their full entitlement may also apply for New Shares that are not subscribed for in the Offer (**Shortfall Shares**).

Detailed instructions on how to accept all or part of your entitlement are set out in section 2.

If you choose not to accept your entitlement under the Offer, then your shareholding in the Company will be diluted to the extent that the Offer is taken up by other Shareholders or by the Underwriter.

1.4 No trading of entitlements

This Offer is made on a non-renounceable basis. Eligible Shareholders may not trade their rights to New Shares under the Offer and may not renounce, sell, transfer or deal with all or any part of their rights and entitlements to New Shares which they do not wish to accept. If you do not take up your entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse and the Underwriter will take up or allocate your entitlement.

1.5 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms until 5:00pm Sydney time AEST on the Closing Date or such later date as the Directors in their absolute discretion determine, subject to the requirements of the Listing Rules.

1.6 Allotment and allocation

The allotment of New Shares to Applicants is expected to occur in accordance with the timetable in section 1.2. It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their new holding statements following the issue of New Shares to them will do so at their own risk.

Pending the allotment of the New Shares or return of Application Monies, the Application Monies will be held in trust for the Applicants. No interest will be paid on any Application Monies received or refunded.

1.7 Acceptance

If you decide to take up all or part of your entitlement, or apply for Shortfall Shares, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out in section 2 and on the Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in respect of Shortfall Shares. Amounts received by the Company in excess of your Entitlement may be treated as an application to apply for as many Shortfall Shares as your excess payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares and Shortfall Shares will be returned to you. No interest will be paid on any Application Monies received or refunded.

1.8 ASX official quotation of New Shares

The Company will apply to ASX for official quotation of the New Shares. If ASX does not grant permission for official quotation of the New Shares, all Application Monies will be returned, without interest, as soon as practicable.

1.9 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**) operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to Applicants. Instead, Applicants will receive a statement of their holdings in the Company of New Shares.

If the Applicant is broker sponsored, the ASTC will send them a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Offer Document, provide the details of a Shareholder's holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however a charge may apply for additional statements.

1.10 Overseas Shareholders

The Company has decided that it is unreasonable to make the Offer to Shareholders who have a registered address in a country outside of Australia and New Zealand, having regard to the number of Shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

No Offer will be made to a Shareholder with a registered address outside of Australia or New Zealand.

However, in compliance with Listing Rule 7.7, the Company will send each Foreign Shareholder details of this Offer and advise them that the Company will not offer New Shares to them.

New Shares to which any Shareholder with a registered address outside of Australia or New Zealand would otherwise be entitled will be available for Eligible Shareholders to apply for as Shortfall Shares and, to the extent not taken up as Shortfall Shares, are underwritten as outlined in this document.

1.11 Placement of Shortfall

Pursuant to ASX Listing Rule 7.2 the Directors reserve the right to place within three months after the close of the Offer any Shortfall Shares to such persons and in such manner as the Directors consider in the interests of the Company, provided that the New Shares offered under the Shortfall are issued at not less than the price under the Offer and the terms and conditions of the issue of the New Shares are not materially more favourable to the persons to whom they are issued than the terms of this Offer.

1.12 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in

the Company which are outlined in section 4 of this Offer Document.

1.13 Taxation Implications

The taxation consequences of any investment in New Shares will depend upon the investor's particular circumstances. The Directors do not consider it appropriate to give Shareholders advice regarding such consequences. Shareholders should consult their professional advisers in connection with subscribing for New Shares.

1.14 Enquiries

If you have any enquiries concerning your entitlement or this Offer Document, please contact;

The Company Secretary
Two Way Limited
Suite 2.05, 55 Miller Street
Pyrmont NSW 2009
PH: 02 9017 7000
FX: 02 9017 7001
Email: rnugara@twowaytv.com.au

2. ACTION REQUIRED BY SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER

2.1 Acceptance of all entitlements

If you wish to take up all of your entitlement to New Shares under this Offer Document, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out in this Offer Document and the Entitlement and Acceptance Form and forward, together with your payment for the amount shown on the form, to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Level 7
207 Kent Street
Sydney NSW 2000

The Entitlement and Acceptance Form must reach the Company's share registry by no later than 5:00pm Sydney time AEST on the Closing Date.

You may use any of the payment options specified on the Entitlement and Acceptance Form. Cheques must be in Australian dollars, crossed "Not Negotiable" and made payable to **Two Way Limited – Rights Issue Account**.

2.2 Applying for Shortfall Shares

If you wish to take up all of your entitlement to New Shares under this Offer Document and apply for Shortfall Shares, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out in this Offer Document and the Entitlement and Acceptance Form and forward, together with your payment for the amount shown on the form for your full entitlement and payment of the relevant amount for any Shortfall Shares applied for (being the number of Shortfall Shares you wish to apply for multiplied by \$0.03), to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Level 7
207 Kent Street
Sydney NSW 2000

The Entitlement and Acceptance Form must reach the Company's share registry by no later than 5:00pm Sydney time AEST on the Closing Date.

You may use any of the payment options specified on the Entitlement and Acceptance Form. Cheques must be in Australian dollars, crossed "Not Negotiable" and made payable to **Two Way Limited – Rights Issue Account**.

Shortfall Shares will only be issued if the Offer is under subscribed and will only be issued to the extent necessary to make up any Shortfall in subscriptions. If the Company receives applications for Shortfall Shares that would result in the Offer being oversubscribed, then the Company may not accept such over subscriptions and may reject applications at its absolute discretion.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application Monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on Application Monies held and returned. Furthermore, the Company will not issue Shortfall Shares where to do so would result in a breach of the Corporations Act or the Listing Rules.

2.3 Acceptance of part of entitlement

If you wish to take up part of your entitlement to New Shares under this Offer Document, complete the enclosed Entitlement and Acceptance Form in respect of the New Shares which you wish to take up in accordance with the instructions set out in this Offer Document and the Entitlement and Acceptance Form and forward, together with your payment of the relevant amount (being the number of New Shares you wish to subscribe for multiplied by \$0.03), to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Level 7
207 Kent Street
Sydney NSW 2000

The Entitlement and Application Form must reach the Company's share registry by no later than 5:00pm Sydney time AEST on the Closing Date.

You may use any of the payment options specified on the Entitlement and Acceptance Form. Cheques must be in Australian dollars, crossed "Not Negotiable" and made payable to **Two Way Limited – Rights Issue Account**.

The New Shares not subscribed for by Eligible Shareholders will be available for Eligible Shareholders to apply for as Shortfall Shares, and to the extent not taken up as Shortfall Shares will form part of the shortfall issued to the Underwriter or its nominee and will be allocated on a pro-rata basis to sub-underwriters. The Directors also reserve the right to place any Shortfall Shares within three months of the Closing Date of the Offer.

2.4 Acceptance of no part of entitlement

If you do not wish to take up any of your entitlement to New Shares under this Offer Document, you need not take any action, and your entitlement to the New Shares will lapse.

The Underwriter or its nominees will subscribe for the New Shares not subscribed for by Eligible Shareholders.

The New Shares not subscribed for by Eligible Shareholders will be available for Eligible Shareholders to apply for as Shortfall Shares, and to the extent not taken up as Shortfall Shares will form part of the shortfall issued to the Underwriter or its nominee and will be allocated on a pro-rata basis to sub-underwriters. The Directors also reserve the right to place any Shortfall Shares within three months of the Closing Date of the Offer.

3. PURPOSE OF THE OFFER AND USE OF PROCEEDS

The purpose of the Offer is to provide working capital as the Company continues to develop, roll out and promote its TV wagering service on a national basis, now that regulatory approval has been received in all mainland States.

4. RISK FACTORS

An investment in the Company has risks, and there are many factors which may affect the future performance of the Company. These risks are both specific to the Company, and also relate to the general business and economic environment. Eligible Shareholders should consider the risk factors described in this section carefully, together with the information contained elsewhere in this Offer Document, before deciding whether to accept the New Shares, as they may adversely affect the value of the Company's assets and Shares.

The risk factors set out below should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. The Company can mitigate some of these risks by the use of appropriate safeguards and commercial action, but some are outside the control of the Company and cannot be mitigated.

The main risks include, but are not limited to, those set out below.

A. Specific Investment Risks

4.1 Regulatory Approvals

The Company will require government regulatory approvals for its TV wagering service in those Australian states and territories in which the service is yet to be launched, and will need to comply with those approvals and other applicable laws, regulations and policies. This may from time to time affect the timing of launch of the TV wagering service in each jurisdiction, and the subsequent revenue flows.

4.2 Early Stage of Commercialisation

The Company has launched its TV wagering service in Victoria in April 2008, in New South Wales in October 2008, in Queensland in April 2011 and South Australia in June 2011. Whilst this represents four of the five mainland Australian states, it is not possible to predict with certainty how quickly or how far the revenues from the service will grow.

4.3 No Profit to Date

The Company has incurred operating losses since its inception. It is therefore not possible to evaluate its prospects based on past performance. No assurances can be given that Two Way will achieve commercial viability through the successful expansion of its TV wagering service. The Company has, in recent years, significantly reduced its operating losses, through growth in its revenue and through tightly controlling its operating costs. However until Two Way is able to generate increased revenues from this technology, it is likely to incur ongoing operational losses.

4.4 Future Capital Needs

While Directors are satisfied that upon completion of the Offer the Company will have sufficient capital to meet its stated objectives, further funding may be required to support ongoing activities and operations. There can be no assurance that alternative funding will be available on satisfactory terms, or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance.

4.4 Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Document. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial position of the Company.

4.5 Insurance

The Company will endeavour to have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

B. General Investment Risks

4.6 Share Market

Share market conditions may affect the listed Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- economic conditions and general economic outlook;
- changes in Australian and international stock markets;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment towards particular market sectors;
- taxation, government and monetary policies;
- the demand for, and supply of capital; and
- war, terrorism or other hostilities.

4.7 Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market prices. The Company's future possible profitability and the market price of its quoted Shares can be affected by these factors, which are beyond the control of the Company and its Directors.

4.8 Government

Changes in Government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors. This is particularly the case in highly regulated industries, such as wagering and media.

4.9 Financial Default

The financial failure by any participant in a contractual arrangement to which the Company is a party may have a significant and adverse impact on the Company.

4.10 Investment Risk

The New Shares issued pursuant to this Offer Document should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of New Shares. The prices at which an investor may be able to trade the New Shares may be above or below the Offer price paid for New Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate for their own circumstances.

5. ADDITIONAL INFORMATION

5.1 Potential Strategic Investor

Two Way recently announced that a potential strategic investor is currently conducting due diligence on the Company, as a result of the strategic review announced on 12 May 2011 and conducted with the assistance of Bell Potter Securities Limited. This may lead to a further placement of capital in the near future, which would increase the financial flexibility of the Company

As noted above, the Directors reserve the right to place any Shortfall Shares within three months of the closing date of the Offer.

5.1 New Zealand shareholders

The Offer made under this Offer Document is being made to New Zealand resident shareholders under the Securities Act (Overseas Companies) Exemption Notice 2002 ("**Exemption Notice**"). Pursuant to the Exemption Notice, the Company is not required to comply with certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of the Offer. In particular, the Company is not required to register a New Zealand prospectus or prepare and distribute a New Zealand investment statement to New Zealand resident shareholders in respect of the Offer.

If appropriate, you should seek professional financial, taxation and legal advice from your accountant, stockbroker, lawyer or other professional adviser before deciding to invest in the Offer.

5.2 Underwriting

The Company has entered into an underwriting agreement with E L & C Baillieu Stockbroking Limited (**Underwriter**) who have agreed to 50% underwrite the Offer.

The Underwriter is entitled to an underwriting commission of 2% and a management fee of 2% calculated on the total Offer proceeds of \$629,763. Additionally, the Company must pay or reimburse the Underwriter for its reasonable costs, professional fees and expenses in relation (and incidental to) the Offer.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer. The Underwriter is responsible for paying all fees and commissions due to sub-underwriters and brokers appointed by the Underwriter in respect of the underwriting of the Offer.

Under the terms of the underwriting agreement:

- the Company has agreed to indemnify the Underwriter and its related bodies corporate and their respective officers, employees and advisers against losses they may suffer in connection with the Offer;
- the Company is precluded for a period of 90 days from changing its capital without the Underwriter's consent, including by issuing securities or reorganising its capital, other than the potential placement of securities to an entity that is at the date of the agreement conducting due diligence on the Company;
- the Underwriter may, at any time prior to completion of the offer, terminate the underwriting agreement and be released from its obligations under it on the occurrence of certain events, including if:
 - the Company fails to remedy any material breach of the underwriting agreement or any warranty or representation by the Company under the underwriting agreement is or becomes untrue or incorrect;

- the Company makes any misleading or deceptive statement;
- the Company's Shares are suspended from trading on ASX or the ASX does not approve or withdraws any approval to the quotation of the New Shares;
- any event specified in the Offer timetable does not occur within 2 business days after the date specified for that event;
- a director of the Company resigns or is removed from office, or is charged with an indictable offence, or a regulatory body commences any public action against a Director;
- the S&P/ASX200 Index closes on any two consecutive business days at a level which is 10% or more below its level as at the close of trading immediately preceding the date of the underwriting agreement;
- there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the financial position, results, operations or prospects of the Company;
- any regulatory action is commenced, or any required approval is withdrawn, by ASIC or any other government agency in relation to the Offer;
- there are changes announced in law or policy which may have a materially adverse effect on the Offer or the Company; and
- there are adverse changes in the political conditions of the United States, Australia, New Zealand, the United Kingdom, any member of the European Union, China, Hong Kong or Japan, including an outbreak of new hostilities or a state of war, an escalation of existing hostilities, a threat of terrorist act, a suspension or material limitation in trading in securities, or a general moratorium on commercial banking activities.

5.3 Disclaimer by Underwriter

The Underwriter has not been involved in the preparation of this Offer Document and takes no responsibility for its contents.

5.4 Effect of the Offer on control of the Company

The potential effect the Offer will have on the control of the Company is as follows:

- if all Eligible Shareholders take up their entitlement, each Eligible Shareholder's percentage interest in the total issued shares of the Company will remain the same and will not be diluted; and
- if some but not all Eligible Shareholders take up their entitlement, and the shortfall is taken up by other Eligible Shareholders as Shortfall Shares or under the underwriting arrangement, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their entitlement will remain the same and will increase if they take up Shortfall Shares. The precise level of change in the percentage interests will depend on the take up of entitlements.

It is not expected that the Offer will have any material effect on control of the Company.

The capital structure of the Company on completion of the Offer will be as follows (assuming none of the Options currently on issue are exercised before the Record Date):

(a)	Shares currently on issue	209,921,004
(b)	Shares offered under the Offer (estimated)	20,992,100
(c)	Total shares on issue on completion of the Offer (est)	230,913,104

6. DEFINED TERMS

Applicant means an Eligible Shareholder who submits an Entitlement and Acceptance Form;

Application Monies means application monies for Shares received by the Company;

ASTC means the ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532);

ASTC Settlement Rules means the operating rules of the ASTC and, to the extent they are applicable, the operating rules of the ASX and the operating rules of the Australian Clearing House Pty Ltd;

ASX means Australian Securities Exchange or ASX Limited (ACN 008 624 691);

Company means Two Way Limited (ACN 007 424 777);

Closing Date means the date on which the Offer closes;

Corporations Act means the Corporations Act 2001 (Cth);

Directors means the directors of the Company;

Eligible Shareholders means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand;

Entitlement and Acceptance Form means the personalised entitlement and acceptance form enclosed with this Offer Document;

Foreign Shareholder means a person registered as a Shareholder as at the Record Date whose address is outside Australia or New Zealand;

Listing Rules means the listing rules of the ASX;

New Shares means the Shares to be issued pursuant to this Offer;

Offer means the non-renounceable pro-rata offer by the Company of New Shares pursuant to this Offer Document;

Offer Document means this offer document;

Record Date means 7pm (AEST) on 7 July 2011;

Share means a fully paid ordinary share in the capital of the Company;

Share Registry means Boardroom Pty Limited;

Shareholder means a holder of Shares;

Shortfall Shares means the New Shares under the Offer not applied for by Shareholders under their Entitlement;

Underwriting Agreement means the agreement between the Company and the Underwriter dated 28 June 2011 for the underwriting of the Rights Issue;

Underwriter means E L & C Baillieu Stockbroking Limited.

TWO WAY LIMITED

ACN 007 424 777

BoardRoom

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Tel: 1300 737 760 (within Aust)

Tel: + 61 2 9290 9600 (outside Aust)

Fax: + 61 2 9279 0664

www.boardroomlimited.com.au

enquiries@boardroom.com.au

RIGHTS ISSUE ENTITLEMENT AND ACCEPTANCE FORM

Name 1
Name 2
Name 3
Name 4
Name 5
Name 6

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
on 7 July 2011

Offer Closes: 22 July 2011 at 5:00pm AEST

NON-RENOUCEABLE ISSUE OF UP TO 20,992,100 NEW SHARES AT AN ISSUE PRICE OF 3 CENTS EACH ON THE BASIS OF 1 (ONE) NEW SHARE FOR EVERY 10 (TEN) ORDINARY SHARES HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER

A Rights Acceptance

If you wish to accept your FULL ENTITLEMENT please complete and return this form WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW. The return of this form by the close date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of One New Share for every Ten Ordinary Shares held	Price Per Share	Amount Payable for Full Acceptance, at \$0.03 per New Share
	\$0.03 per Share =	

If you wish to accept PART OF YOUR ENTITLEMENT ONLY please complete this form showing in the box below the NUMBER OF NEW SHARES BEING ACCEPTED and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Enclosed
	\$0.03 per Share =	\$

B Apply for additional shares (if available)

If you wish to apply for additional shares to your Rights Entitlement above please insert the number of shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available.

Number of Additional Shares Applied for	Price Per Share	Amount Enclosed
	\$0.03 per Share =	\$

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Two Way Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: XXXX

Ref: «BPayCRN»

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to Boardroom Pty Limited – Rights Issue Account and crossed Not Negotiable.

- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

By submitting this Application Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Prospectus to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Two Way Limited and agree to the terms and conditions of the Offer under this Prospectus. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New shares for which you are accepting by \$0.03 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. 02 9290 9600
Facsimile No. 02 9279 0664

If you do not deal with your entitlement it will lapse at 5.00 pm AEST on 22 July 2011.

PAYMENT

Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "Two Way Limited – Rights Issue Account and crossed "Not Negotiable".

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm AEST on 22 July 2011.

PAYMENT - OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Prospectus.

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /
Sole Director & Sole Company
Secretary

Joint Shareholder 2 (Individual) /
Director

Joint Shareholder 3 (Individual) /
Director/Company Secretary
(Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (http://www.boardroomlimited.com.au/help/share_privacy.html).

SAMPLE ONLY