

ASX RELEASE

28 October 2011

Notice of Meeting & Online Version of 2011 Annual Report

In accordance with Listing Rule 3.17, Two Way Limited lodges the attached Notice of Meeting (including letter of invitation to shareholders, proxy form, Explanatory Memorandum and Independent Expert's Report) for the 2011 Annual General Meeting, to be held on Tuesday 29 November 2011.

An online version of the 2011 Annual Report can also be viewed at our corporate website at www.twowaytv.com.au/investors/annual_reports.

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 develops 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



Dear Shareholder

It is my pleasure to invite you to the 2011 Annual General Meeting of Two Way Limited.

The meeting will be held at 9:30am (Sydney time) on Tuesday, 29 November 2011, at Four Points by Sheraton Hotel, 161 Sussex Street Sydney.

During the meeting, approval will be sought for the issue of fully paid ordinary shares and options in the Company to our new cornerstone investor. This capital raising will strengthen the Company's financial position, and in particular, support the ongoing development and marketing on a national basis of the Company's key products, including our flagship TV wagering service.

I enclose your Notice of Meeting, together with the following documents:

- A detailed Explanatory Memorandum and Independent Expert's Report;
- A personalised Proxy Form; and
- The Company's 2011 Annual Report (if you elected to receive a hardcopy version).

What you need to do

All shareholders should carefully read the attached documents, and decide whether to vote on the resolutions contained in the Notice of Meeting.

Your vote is important, but it is not compulsory to vote. If you would like to vote, you may either attend the meeting or alternatively appoint a proxy to vote for you at the meeting by using the attached Proxy Form or voting online. If you intend to appoint a proxy, please complete the Proxy Form and return it to us in accordance with the directions on the reverse side of the form by **9:30am (Sydney time) on Sunday, 27 November 2011**.

Attendance

If you wish to attend the meeting:

- please bring this letter with you to assist us to process your registration efficiently; and
- if possible, call us on (02) 9017 7000 to confirm your attendance.

Your Directors and the Company's management look forward to welcoming you to the Annual General Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. J. McGregor'.

Stuart J McGregor
Chairman

PLEASE BRING THIS LETTER TO THE ANNUAL GENERAL MEETING

The Annual General Meeting of Two Way Limited will be held on Tuesday, 29 November 2011 at Four Points by Sheraton Hotel, 161 Sussex Street Sydney with registration commencing at 8:30am (Sydney time).

Representatives of corporate shareholders should present satisfactory evidence of appointment when registering.

Two Way Limited

ABN 28 007 424 777

Registered Office: Suite 2.05
55 Miller Street
PYRMONT NSW 2009

Notice of 2011 Annual General Meeting

Two Way Limited (the Company) gives notice that its Annual General Meeting of members will be held at 9:30am (Sydney time) on Tuesday, 29 November 2011 at:

Four Points by Sheraton Hotel
161 Sussex Street
SYDNEY NSW 2000

Items of Business

Ordinary Business:

Item 1: Financial Statement and Reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and the Auditor for the financial year ended 30 June 2011.

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

“That the Remuneration Report as set out in the 2011 Annual Report be adopted.”

Item 3: Election of Directors

To consider and, if thought fit, to pass the following ordinary resolution:

“That Christopher Roberts Grant-Foster, a Director retiring in accordance with the Constitution, being eligible, is re-elected as a Director of Two Way Limited.”

Item 4: Approval of Investment

Item 4(a): To consider and, if thought fit, to pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 of the Australian Securities Exchange Listing Rules, and for all other purposes, approval is given for the previous issue on 27 September 2011 of 12,500,000 new fully paid ordinary shares in the Company to investors, on the terms more fully described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.”

Item 4(b): To consider and, if thought fit, to pass the following ordinary resolution:

“That for the purposes of section 611 item 7 of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for:

- (i) the issue of 47,500,000 new fully paid ordinary shares in the Company to Main Ace Investment Limited at a subscription price of 2 cents per share;
- (ii) the issue of 30,000,000 options to Main Ace Investment Limited, valid for up to 3 years from the date of issue, entitling the holder to subscribe for new fully paid ordinary shares in the Company at an exercise price of 2.8 cents per share; and
- (iii) the issue to Main Ace Investment Limited of new fully paid ordinary shares in the Company on the subsequent exercise of those options,

on the terms more fully described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.”

Item 4(c): To consider and, if thought fit, to pass the following ordinary resolution:

“That Gerald Tan, a Director appointed by the Directors on 4 October 2011 and retiring, being eligible, is elected as a Director of Two Way Limited.”

Important Notes on the Resolutions

1. For further information and explanation on all resolutions, particularly Resolution 4(b), please refer to the Explanatory Memorandum which is **enclosed** and forms part of this Notice of General Meeting.

2. Shareholders should carefully consider the **enclosed** Independent Expert's Report prepared by Hall Chadwick Corporate (NSW) Limited for the purposes of the shareholders' consideration of Resolution 4(b). The Independent Expert concludes that the proposed Transaction is fair and reasonable to the Shareholders of the Company.

3. **The Board recommends unanimously that all shareholders vote in favour of all resolutions**, on the basis set out in the enclosed Explanatory Memorandum. In relation to Resolution 4(b), this recommendation is made in the absence of a superior proposal.

By order of the Board

A handwritten signature in black ink, appearing to read 'R. Nugara', with a stylized flourish at the end.

Rointon Nugara
Company Secretary

**Explanatory Memorandum
for Shareholders of Two Way Limited
ABN 28 007 424 777**

The Board recommends unanimously that shareholders vote in favour of all resolutions. In relation to Resolution 4(b), this recommendation is made in the absence of a superior proposal.

The Independent Expert, Hall Chadwick Corporate (NSW) Limited, has concluded that the proposed Transaction is fair and reasonable to the Shareholders of the Company.

Section A. Introduction

This Explanatory Memorandum has been prepared to assist shareholders with their consideration of all resolutions, but particularly Resolution 4(b), of the Notice of Annual General Meeting of shareholders of Two Way Limited ABN 28 007 424 777 (**Two Way**) to be held at 9:30am (Sydney time) on Tuesday, 29 November 2011 at Four Points by Sheraton Hotel, 161 Sussex Street, Sydney NSW 2000.

Resolutions 4(a), 4(b), and 4(c) relate to an investment in Two Way that has been agreed between the Board of Two Way and Mr Gerald Tan and his associates, including Main Ace Investment Limited (**Main Ace**). Certain aspects of this investment are now proposed for approval by shareholders.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting and the enclosed Independent Expert's Report prepared by Hall Chadwick Corporate (NSW) Limited.

If you are in doubt of what to do in relation to any of the resolutions, you should consult your financial or other professional advisors as soon as possible.

Responsibility for Information

The information contained in this Explanatory Memorandum (other than the Independent Expert's Report and information provided by Main Ace and its associates) has been prepared by Two Way and is the responsibility of Two Way. Main Ace (and its associates, directors, officers, employees or advisers) do not assume any responsibility for the accuracy or completeness of that information.

Main Ace has provided the information relating to Main Ace and its associates contained in this Explanatory Memorandum, including but not limited to its intentions in section C.3.5. None of Two Way, its directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information provided by Main Ace and its associates.

A copy of this Notice of Meeting and Explanatory Memorandum has been lodged with the Australian Securities & Investments Commission (**ASIC**) pursuant to ASIC Regulatory Guide 74. Neither ASIC nor any of its officers take any responsibility for the contents of these documents.

Forward looking statements

Certain statements in this Explanatory Memorandum relate to the future. Those forward looking statements reflect the views of the person making those statements only as of the date of this Explanatory Memorandum. Actual results or outcomes may differ materially from the results or outcomes expressed in those forward looking statements, and such differences are both normal and to be expected. While those forward looking statements are made in good faith, neither Two Way nor Main Ace, nor any of their associates, directors, employees or any person involved in the preparation of this document give any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statement will actually occur. In that regard, it is noted that forward looking statements necessarily involve unknown risks, uncertainties and other factors beyond the control of Two Way or Main Ace.

The information in this Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to or knowledge of the investment objectives, financial situation, taxation position or particular needs of Two Way shareholders. Shareholders should consider the appropriateness of the information provided in the light of their own circumstances and objectives.

Section B. Ordinary Items of Business for AGM

Item 1: Financial Statements and Reports

The Corporations Act 2001 and the Company's Constitution (rule 20.2) require that the Report of the Directors, the Auditor's Report and the Financial Report be laid before the Annual General Meeting. Shareholders will be given ample opportunity to ask questions with respect to these reports and statements at the Meeting. There is no formal resolution for this item.

Item 2: Non-binding Resolution – Remuneration Report

As required by section 250R(2) of the Corporations Act, a resolution for the adoption of the Remuneration Report must be put to the vote. The Remuneration Report is contained within the Directors' Report in the 2011 Annual Report on pages 11 to 15.

Shareholders attending the Annual General Meeting will have the opportunity to ask questions and make comments on the Remuneration Report, and to vote on a non-binding resolution to adopt the Remuneration Report.

Whilst this vote is advisory only and does not bind the Company or its directors, the Board will take the outcome of the vote into consideration when reviewing the remuneration policies of the Company. Following recent amendments to the Corporations Act, which took effect on 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.

Voting exclusion statement

The Company will disregard any votes cast in relation to the Remuneration Report by, or on behalf of:

- the Chairman, other directors or other key management personnel as disclosed in the Remuneration Report; and
- a closely related party (such as specified family members, dependants and any controlled companies) of those persons,

unless the vote is cast by that person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either "For", "Against" or "Abstain" on the proxy form for this Resolution.

Item 3: Election of Directors

The Company's Constitution (rule 12.4) requires that one-third of the Directors, excluding the Managing Director (or if that number is not a multiple of three, then the number nearest one-third), must retire at the Annual General Meeting. The Constitution (rule 12.4) and ASX Listing Rule 14.4 further provide that each Director is required to retire no later than at the third Annual General Meeting following his or her last election or appointment by a general meeting. Any Director retiring from office under rule 12.4 is eligible for re-election.

Mr Christopher Roberts Grant-Foster is due to retire by rotation in accordance with the Company's Constitution and, being eligible, presents himself for re-election.

Chris Grant-Foster has his own consulting business, Number Eight Management, with a focus on strategic management, sales and marketing, M&A, capital raising and restructuring. He has also held the position of Non Executive Chairman of Geo Exchange Pty Ltd since February 2011.

Chris was previously the Chief Executive Officer of Two Way Limited and oversaw the signing of the pay TV wagering deal with Tabcorp and Foxtel.

Chris has extensive local and international experience in the telecommunications, content and media fields. He has held senior positions as Executive Director of Lloyd Harrington, Managing Director/CEO of Insite Management, Managing Director iTouch Asia-Pacific, General Manager Telecommunications Samsung Australia, General Manager Technology and Operations Mobile Hutchison 3, and Siemens Ltd where he worked in London and Australia. Chris is Chairman of both Two Way Limited's Nominations, Remuneration & Corporate Governance Committee, and the Audit & Risk Management Committee.

A review of Mr Grant-Foster's performance during the period of his directorship has been undertaken. The Board unanimously recommends that shareholders vote in favour of Resolution 3.

Section C. Approval of Investment

C.1 Key Terms of Investment

On 20 October 2011, Two Way executed an agreement with Main Ace, a company associated with Mr Gerald Tan of Malaysia, which implemented the terms of an investment previously agreed and announced to the market on 20 September 2011. The purpose of this investment was to provide capital for Two Way's business activities, with a particular focus on marketing and product development for Two Way's key product lines. These include:

- The TAB Active TV wagering service. This service is now live in all five mainland States of Australia, pursuant to long-term deals that Two Way has signed with Tabcorp Holdings Limited, TattsBet Limited, and Racing and Wagering Western Australia.
- The Way2Bet online and mobile wagering portal. This provides a wide range of information resources to "help punters bet better", and is based around a comprehensive odds comparison engine.
- Games and other bespoke software products, primarily for interactive TV platforms.

Key terms of the agreed investment are as follows:

1. Mr Gerald Tan and his associates, including Main Ace, will invest A\$1.2 million in Two Way, in return for 60 million new fully paid ordinary shares issued at a price of 2 cents each.
2. The total funding of \$1.2 million will be invested in two tranches. The first tranche of \$250,000 was paid on 27 September 2011, in return for 12.5 million new fully paid ordinary shares. The second tranche of \$950,000 will be paid after shareholder approval has been obtained, in return for 47.5 million new fully paid ordinary shares. This second tranche will be paid in eight instalments, with the first instalment in the sum of \$200,000 to be paid in the first week of January 2012, and the seven subsequent instalments in the sum of \$100,000 each to be paid on a monthly basis thereafter, with the final payment of \$150,000 due in early August 2012.

3. The purpose of the initial \$250,000 payment was primarily to enable Two Way to fund a national marketing campaign for its TV wagering service, known as TAB Active, during the 2011 Spring Racing Carnival.
4. Subject to shareholder approval, Main Ace will also receive 30 million options to purchase new ordinary shares in Two Way. Each option will be valid for three years from the date of issue, and will be exercisable at a price of 2.8 cents per share.
5. Main Ace is entitled to appoint one Director to the Board of Two Way. In accordance with this entitlement, Mr Gerald Tan has been appointed to the Board.
6. Main Ace is entitled to appoint a second Director to the Board of Two Way after all of the options have been exercised.

C.2 Approval of previous issue of 12,500,000 shares in the Company issued on 27 September 2011 (Resolution 4(a))

C.2.1 Background

ASX Listing Rule 7.1 provides that the Company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval. However, under Listing Rule 7.4, the Company may seek subsequent approval to specified issues of securities, and if that approval is granted, such issues do not count toward the 15% limit.

Resolution 4(a) seeks shareholder approval for the previous issue of 12.5 million shares issued to Mr Gerald Tan and his associates on 27 September 2011, in return for the first tranche of the investment in the sum of \$250,000. These shares were issued in accordance with the 15% in 12 months limitation set out in ASX Listing Rule 7.1.

The following information is provided in relation to this share issue in accordance with the requirements of Listing Rule 7.4.

Number of shares issued	12,500,000	
Price at which the shares were issued	\$0.02	
Terms of the securities	Ordinary fully paid shares in the same class and ranking equally with existing fully paid ordinary shares on issue in all respects.	
Basis on which allottees were determined	As determined by Main Ace (professional and/or sophisticated investors).	
Names of allottees and respective allocations	Gerald TAN Chee Chiang TEE Poh Leng SAW	6,250,000 shares 3,125,000 shares 3,125,000 shares
Voting exclusion statement	Refer Section C.2.2 below.	
Intended use of the funds raised	Working capital, and in particular the marketing of Two Way's wagering service during the 2011 Spring Racing Carnival.	

The Board believes that it is in the best interests of the Company to maintain its ability to issue up to a full 15% of its issued capital, in order that it may issue further securities in the next 12 months if necessary, enabling the Company to continue to pursue its objectives.

Accordingly, the Company seeks shareholder approval of the issue of the 12,500,000 ordinary shares issued on 27 September 2011 for the purposes of Listing Rule 7.4 of the Australian Securities Exchange Listing Rules.

C.2.2 Voting Exclusion

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 1 by the abovementioned persons, and their associates.

However, the Company need not disregard any of the above mentioned votes if:

- cast by a person as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

C.2.3 Director's Recommendation

The Board of Directors unanimously recommend that the shareholders vote in favour of Resolution 4(a). Each Director of the Company intends to vote all shares he owns or controls in favour of Resolution 4(a).

This resolution is a key element of the overall capital raising proposal negotiated by the Board (see Section C.1), and forms part of a single deal with Resolutions 4(b) and 4(c).

C.3 Control Transaction (Resolution 4(b))

Approval of new issue of 47,500,000 ordinary shares in the Company

Approval of issue and exercise of 30,000,000 options to acquire ordinary shares in the Company

C.3.1 Background

Part 6.1 of the Corporations Act 2001 (Cth) contains provisions known as the takeover provisions. These provisions prohibit any transaction that involves the acquisition of voting shares, or a relevant interest in voting shares, of a listed public company, if that acquisition results in a person's voting power in the company increasing to more than 20% (**Control Transaction**).

Item 7 of section 611 of the Corporations Act provides that a Control Transaction is permitted in circumstances where the shareholders of the company whose shares are being acquired (in this case, Two Way) approve of the acquisition by resolution in a general meeting (**Control Approval**).

Voting power is the total number of votes attached to all the voting shares in which a person or its associates have a relevant interest as a percentage of the total number of votes attached to all voting shares in the company.

A person has a relevant interest in voting shares if they are the holder of the shares; or have power to exercise, or control the exercise of, votes attaching to the shares; or have power to dispose of, or control the exercise of a power to dispose of, the shares.

C.3.2 Main Ace's current and potential voting power

Main Ace (via its associates) currently has 5.37% of the voting power in Two Way, as a result of holding 12,500,000 shares out of Two Way's current share base of 232,921,004 shares.

Under the proposed investment by Main Ace, the proposed issue of shares and options to Main Ace will result in Main Ace having between 21.39% and 28.99% of the voting power in Two Way, depending on how many of the options are exercised.

The following table sets out the potential changes in Two Way's issued capital, and Main Ace's voting power, as a result of this investment:

Event	Two Way Issued Shares	Main Ace's voting power
Current position	232,921,004 shares	5.37%
If resolution 4(b) is approved	280,421,004 shares	21.39%
If resolution 4(b) is approved	Between 280,421,005 and 310,421,004 shares*	Between 21.39% and 28.99%*

* (depending on how many options are exercised)

C.3.3 Reasons to vote in favour of Resolution 4(b)

(i) Cash injection

If the issue of the shares to Main Ace is approved, Two Way will receive \$950,000. If all the options are exercised by Main Ace, Two Way will also receive a further \$840,000.

The directors of Two Way intend to market and promote Two Way's key products and services in order to increase revenue and bring the Company to a cash flow positive position. The injection of capital from Main Ace will enable Two Way to fund this program and provide working capital.

(ii) Cornerstone investor

The directors of Two Way believe that the investment by Main Ace is a key milestone in the development of Two Way. Main Ace and Mr Gerald Tan have extensive experience in the interactive TV space, especially throughout Asia, and are both financially and technically capable.

(iii) New shares will be issued at a premium

The new shares will be issued at 2 cents per share, which represents a premium of 42.9% over Two Way's last traded share price of 1.4 cents prior to the announcement on 20 September 2011 of the agreement between Two Way and Main Ace.

If the options are exercised, those new shares will be issued at 2.8 cents per share, which represents a premium of 100% over Two Way's last traded share price of 1.4 cents prior to the announcement on 20 September 2011 of the agreement between Two Way and Main Ace.

(iv) Independent Expert's Report

The Independent Expert's Report prepared by Hall Chadwick has concluded that the Investment Transaction is fair and reasonable to the Shareholders of the Company. A full copy of the report is attached to this Explanatory Memorandum.

(v) Director's unanimous recommendation

It is the unanimous recommendation of the directors of Two Way that, in the absence of a superior proposal, the shareholders of Two Way should vote in favour of Resolution 4(b). Each director of Two Way intends to vote all shares they own or control in favour of Resolution 4(b), in the absence of a superior proposal.

(vi) If Resolution 4(b) is not approved

If Resolution 4(b) is not passed by the shareholders, the issue of the shares and options to Main Ace will not proceed. Two Way's shareholders will retain their current interest in Two Way and there will be no change to the board of Two Way, other than the retirement and re-election of directors pursuant to Two Way's constitution.

Two Way will then be required to fund its activities through alternative sources of finance. There is no guarantee that the directors of Two Way will be able to:

- (a) source alternate equity financing on more favourable terms than Main Ace's offer; or
- (b) source debt financing at suitable rates, or at all.

In addition, the Company will have spent substantial Board and management time and resources pursuing the transaction with Main Ace, without realising the benefits of the transaction.

C.3.4 Reasons to vote against Resolution 4(b)

(i) Control

Two Way will issue 47,500,000 shares to Main Ace. This will increase the number of shares on issue in Two Way from 232,921,004 to 280,421,004. Main Ace will have voting power of 21.39% in Two Way, which exceeds the 20% limit and makes this proposal into a Control Transaction.

If Main Ace exercises its options, Two Way will issue a maximum of a further 30,000,000 shares to Main Ace. This will increase the number of shares on issue in Two Way from 280,421,004 to a maximum of 310,421,004. Main Ace will have voting power of between 21.39% and 28.99% in Two Way (depending on how many options are exercised), and may therefore have the ability to block a special resolution of the shareholders (requiring 75% approval).

This may discourage a potential bidder from proposing a merger by scheme of arrangement or making a takeover bid for Two Way. There is also a risk that Main Ace could use its voting power to pursue interests which differ from other shareholders of Two Way, although the Board of Two Way, as of the date of this Explanatory Memorandum, has no reason to believe that Main Ace's interests differ from the interests of the other shareholders of Two Way.

(ii) Shareholder dilution

Other shareholders have not been given the opportunity to participate in the issue of the shares and options to Main Ace. As a result the other shareholders' interest in Two Way will be significantly diluted.

(iii) You disagree with the Directors' Recommendation and/or the Independent Expert's Report

A Two Way shareholder may wish to vote against the proposed issue of the shares and/or the options to Main Ace in circumstances where:

- (a) The shareholder does not agree with the directors' recommendation and/or the Independent Expert's Report; or
- (b) The shareholder believes that there may be another proposal in the future for investment by a third party in Two Way which is more attractive to Two Way shareholders. As at the date of the Explanatory Memorandum, the Directors of Two Way are not aware of any such proposal.

C.3.5 Information Required for Shareholders

Certain information must be disclosed to shareholders for the purposes of a Control Approval. This section provides the required information, or sets out where it can be found within this Explanatory Memorandum.

Item 7 of Section 611 of the Corporations Act requires that shareholders must be provided with the following information:

(i) the identity of the person proposing to make the acquisition and their associates

For the purposes of item 7 of section 611 of the Corporations Act:

- the person proposing to make the acquisition is Main Ace Investment Limited; and
- the associates of Main Ace are:

Mr Gerald Tan
Mr Chee Chiang Tee
Mr Poh Leng Saw
Mr Chee Meng Lau

(ii) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition

See section C.3.2.

(iii) the voting power that person would have as a result of the acquisition

See section C.3.2.

(iv) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition

See section C.3.2.

(v) the voting power that each of that person's associates would have as a result of the acquisition

See section C.3.2.

ASIC Regulatory Guide 74, paragraph 74.8 requires that shareholders must be provided with the following information:

- (a) *the identity of the allottee or purchaser and any person who will have a relevant interest in the shares to be allotted or purchased*

See the list of associates set out in section C.3.5 above.

- (b) *full particulars (including the number and the percentage) of the shares in the company to which the allottee or purchaser is or will be entitled immediately before and after the proposed acquisition;*

See section C.3.2.

- (c) *the identity, associations (with the allottee, purchaser or vendor, and with any of their associates) and qualifications of any person who it is intended will become a director if shareholders agree to the allotment or purchase;*

See section 4.

- (d) *a statement of the allottee's or purchaser's intentions regarding the future of the company if shareholders agree to the allotment or purchase, and in particular:*
- (i) any intention to change the business of the company;*
 - (ii) any intention to inject further capital into the company, and if so how;*
 - (iii) the future employment of the present employees of the company;*
 - (iv) any proposal whereby any property will be transferred between the company and the allottee, vendor or purchaser or any person associated with any of them; and*
 - (v) any intention to otherwise redeploy the fixed assets of the company*

Main Ace has provided the following statement:

“(i) any intention to change the business of the company;

There is no current intention to change the business of the company.

(ii) any intention to inject further capital into the company, and if so how;

There is no current intention to inject further capital into the company (other than in respect of the potential exercise of the Options granted as already described in the Explanatory Memorandum). However, we review the performance of the company on a constant basis and may inject further capital if appropriate.

(iii) the future employment of the present employees of the company;

There is no current intention to change the future employment of the present employees of the company. However, the directors may review the employment policy in the future, in line with the performance of the company.

(iv) any proposal whereby any property will be transferred between the company and the allottee, vendor or purchaser or any person associated with any of them;

There is no current intention to transfer any property between the company and the allottee, vendor or purchaser or any person associated with any of them.

(v) any intention to otherwise redeploy the fixed assets of the company.

There is no current intention to redeploy the fixed assets of the company.”

- (e) *particulars of the terms of the proposed allotment or purchase and any other contract or proposed contract between the allottee or purchaser and the company or vendor or any of*

their associates which is conditional upon, or directly or indirectly dependent on, shareholders' agreement to the allotment or purchase

See section C.1 for the terms of the proposed allotment, which is conditional on shareholder approval. There are no other contracts or proposed contracts between Two Way and Main Ace.

(f) *when the allotment is to be made or the purchase is to be completed*

The allotment under paragraphs (i) and (ii) of Resolution 4(b) will be made on the following timetable:

6 January 2012 (10,000,000 shares and 9,000,000 options);
6 February 2012 (5,000,000 shares and 3,000,000 options);
6 March 2012 (5,000,000 shares and 3,000,000 options);
6 April 2012 (5,000,000 shares and 3,000,000 options);
7 May 2012 (5,000,000 shares and 3,000,000 options);
6 June 2012 (5,000,000 shares and 3,000,000 options);
6 July 2012 (5,000,000 shares and 3,000,000 options); and
6 August 2012 (7,500,000 shares and 3,000,000 options).

(g) *an explanation of the reasons for any proposed allotment*

See section C.1.

(h) *the interests of the directors in the resolution*

Other than as holders of securities in Two Way, the Company's Directors do not have any interests in the proposed transaction. Details of the securities held by each Director are as follows:

	Fully Paid Ordinary Shares	Options	Total
S J McGregor	1,536,333	-	1,536,333
B P Reichel	1,744,327	360,000	2,104,327
C R Grant-Foster	602,886	-	602,886
Gerald Tan	6,250,000	-	6,250,000

(i) *in the case of a listed company, any additional information that the Listing Rules require to be disclosed*

All required information has been disclosed.

ASIC Regulatory Guide 74, paragraph 74.9 states that shareholders of a company should also be provided with:

(a) *the identity of the directors who approved or voted against the proposal to put the resolution to shareholders and the relevant information memorandum;*

All Directors of the Company voted in favour of putting this proposal to shareholders, in the absence of a superior proposal.

(b) *the recommendation or otherwise of each director as to whether non-associated shareholders should agree to the acquisition, and the reasons for that recommendation or otherwise;*

See sections C.2.3 and C.3.8.

- (c) *any intention of the acquirer to change significantly the financial or dividend policies of the company;*

Main Ace has provided the following statement:

“There is no current intention to change significantly the financial or dividend policies of the company.”

- (d) *an analysis of whether the proposal is fair and reasonable when considered in the context of the interests of, the shareholders other than those involved in the proposed allotment or purchase or associated with such persons (“non-associated shareholders”)*

See the attached Independent Expert’s Reports prepared by Hall Chadwick. The Independent Expert concludes that the proposed transaction is fair and reasonable to the Shareholders of the Company.

C.3.6 Approval under ASX Listing Rules

Control Approval is not required for the issue of the *options* under paragraph (ii) of Resolution 4(b), because they are not voting shares.

Whilst the options are “equity securities”, Shareholder approval under ASX Listing Rule 7.1 is not required for either the proposed issue of the *options* or the *shares*, under paragraphs (ii) and (iii) respectively of Resolution 4(b). This is in reliance on Exception 16 under ASX Listing Rule 7.2, as Two Way is seeking Control Approval for the issue of both the *options* and the *shares* under item 7 of section 611 of the Corporations Act 2001 (Cth).

C.3.7 Voting Exclusion

It is a condition of approval under item 7(a) of section 611 of the Corporations Act that no votes may be cast in favour of the resolution by:

- ‘(i) the person proposing to make the acquisition and their associates; or
(ii) the persons (if any) from whom the acquisition is to be made and their associates.’

Accordingly the Company will disregard any votes cast in favour of Resolution 4(b) by Main Ace and its associates.

However, the Company need not disregard any of the above mentioned votes if:

- cast by a person as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

C.3.8 Director’s Recommendation

The Board of Directors unanimously recommend, in the absence of a superior proposal, that the shareholders vote in favour of Resolution 4(b). Each Director of the Company intends to vote all shares he owns or controls in favour of Resolution 4(b), in the absence of a superior proposal.

If these resolutions are not passed, the Company would lose a great opportunity to advance its business with a substantial and credible investor, and will have to recommence the search for other sources of funding, on terms that are uncertain and unpredictable.

Section 4

Election of Director (Resolution 4(c))

C.4.1 Background

As part of the overall capital raising deal agreed with Mr Gerald Tan and his associates (see Section C.1), the Board has appointed Mr Gerald Tan as an additional Director.

The Company's Constitution (rule 12.9) provides that a person appointed either to fill a casual vacancy or as an addition to the existing Directors will hold office until the conclusion of the next annual general meeting of the Company, but is eligible for election at that meeting. This provision does not apply to the Managing Director.

Mr Gerald Tan was recently appointed to the Board to fill such a casual vacancy, and therefore is now eligible for election at this meeting.

Gerald Tan is a serial entrepreneur who has founded numerous companies, all of which he has successfully exited. Gerald is the Managing Partner of Nuetree Capital and brings over 18 years of experience on both the sell and buy side of the venture capital and private equity business.

Prior to joining Nuetree, Gerald was the Group Managing Director and Co-Founder of Phoenix Investment Global Limited, a leading pan-Asian interactive new media company with offices in Beijing, Changsha, Guangzhou, Hong Kong and Kuala Lumpur. Phoenix was a regional leader in interactive TV solutions as well as branded content creation, with exclusive partnerships with Chelsea Football Club. Gerald subsequently sold Phoenix to Galleon Holdings, a UK company listed on AIM London.

Prior to Phoenix, he founded N-Visio Ltd, an interactive television technologies company that developed Asia's first real time 3-D interactive TV system. This solution was used extensively in Malaysia, Indonesia and China. N-Visio started life as Salient Synergy which was originally a mobile technology company specialising in digital mobile content. It became the largest mobile content company in Malaysia before it evolved into an interactive TV technologies company and was subsequently renamed N-Visio Limited. N-Visio expanded throughout the region establishing offices in Kuala Lumpur, Jakarta, Hong Kong, Beijing, Shanghai, Shenzhen, Guangzhou, Kunming and Changsha. N-Visio was eventually acquired by Mobile Media AS, a Norwegian new media company funded by Telenor Ventures AS.

Before becoming an entrepreneur, Gerald was an investment banker in Kuala Lumpur, Malaysia and Sydney, Australia. Gerald has a Bachelor of Economics from the University of Western Australia and an MBA from the Graduate School of Business, The University of Sydney.

C.4.2 Director's Recommendation

The Board of Directors unanimously recommend that the shareholders vote in favour of Resolution 4(c). Each Director of the Company intends to vote all shares he owns or controls in favour of Resolution 4(c).

This resolution is a key element of the overall capital raising proposal negotiated by the Board (see Section C.1), and forms part of a single deal with Resolutions 4(a) and 4(b).

If these resolutions are not passed, the Company would lose a great opportunity to advance its business with a substantial and credible investor, and will have to recommence the search for other sources of funding, on terms that are uncertain and unpredictable.



Two Way Limited

ABN 28 007 424 777

FOR ALL ENQUIRIES CALL:

(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600

FACSIMILE

+61 2 9290 9655

Name and Address

ALL CORRESPONDENCE TO:

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Australia

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 9:30am SUNDAY 27 NOVEMBER 2011

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below **not later than 48 hours** before the commencement of the meeting at **time 9:30am on Tuesday, 29 November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - +61 2 9290 9655

IN PERSON - Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Two Way Ltd

- <Address 1>
- <Address 2>
- <Address 3>
- <Address 4>
- <Address 5>
- <Address 6>

<BARCODE>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Two Way Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Two Way Limited to be held at the Four Points by Sheraton Hotel, 161 Sussex Street, Sydney, NSW 2000 on Tuesday the 29 of November 2011 at 9:30am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Important information for Resolution 2:

The Chairman of the meeting, Directors and other key management personnel of the Company and their closely related parties, will NOT cast any votes in respect of Resolution 2 (Remuneration Report) that arise from any undirected proxy that they hold. **You are encouraged to direct your proxy by marking the box in relation to this resolution in the section below.**

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

		For	Against	Abstain*
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-elect Mr Christopher Roberts Grant-Foster as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(a)	Approval of New Investment – Prior issue of 12,500,000 ordinary shares in the Company to investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(b)	Approval of New Investment – Issue of Shares and Option to Main Ace Investment Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(c)	Appointment of Director – Mr Gerald Nicholas Eng Hoe Tan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business, except for Resolution 2.
 *If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / / 2011

27 October 2011

The Directors
Two Way Limited
Suite 2.05
55 Miller Street
PYRMONT NSW 2009

Dear Sirs,

Independent Expert's Report on the proposal to issue new share capital in Two Way Limited

1. INTRODUCTION

Background

- 1.1 On 20 September 2011, Two Way Limited ("Two Way", "TTV", "the Company") announced Mr Gerald Tan of Malaysia and his associates ("Mr Tan") have agreed to invest equity capital in the Company through the issue of 60 million fully paid ordinary shares and 30 million options exercisable within three years.

Purpose of Report

- 1.2 You have requested Hall Chadwick Corporate (NSW) Limited ("HCC") to prepare an Independent Expert's Report to advise the shareholders of Two Way Limited, other than those associated with the proposed issue of Two Way securities to Mr Gerald Tan ("Non-Associated Shareholders"), whether the proposed transaction is fair and reasonable when considered in the context of the interests of Non-Associated Shareholders, and to set out the reasons for our conclusions.
- 1.3 HCC understands and has agreed that this report will accompany the notice to convene a meeting of Two Way shareholders, to assist the Non-Associated Shareholders in their consideration of the resolutions to be presented to shareholders at a General Meeting expected to be held on or around 24 November 2011.

Opinion

- 1.4 In our opinion, the proposed Transaction is fair and reasonable to the Non-Associated Shareholders of Two Way.
- 1.5 The ultimate decision however on whether to accept the proposed Transaction should be based on Two Way shareholders own assessment of their circumstances.

HALL CHADWICK
CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

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31 Market Street
Sydney NSW 2000 Australia

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firms

2. THE PROPOSED TRANSACTION

2.1 Two Way has entered into a conditional agreement with Mr Tan for the issue of 60 million fully paid ordinary shares and 30 million options as consideration for an investment of \$2.04 million in the Company.

2.2 The agreement includes the following terms:

- An investment totalling up to \$2.04 million by Mr Tan comprising two tranches;
 - (i) First tranche investment of \$0.25 million in cash for 12.5 million fully paid ordinary shares at \$0.02 each was completed on 27 September 2011;
 - (ii) Second tranche investment of \$0.95 million in cash for 47.5 million fully paid ordinary shares at \$0.02 each and 30 million options exercisable at \$0.028, potentially raising a further \$0.84 million for Two Way;
- Appointment of Mr Tan as a Director to the Board of Two Way;
- Entitlement to appoint a second Director to the Board of Two Way upon all 30 million options issued being exercised; and
- The agreement is conditional upon acceptance by shareholders at a general meeting.

2.3 The previous and proposed issue of shares contemplated above, the proposed issue of options and the other resolutions detailed at section 2.4 below are referred to hereinafter as the “Transaction”.

2.4 Given the Transaction will involve a significant change to the ownership of Two Way and in accordance with requirements in the Corporations Act 2001 and Australian Securities Exchange (“ASX”) Listing Rules, a number of extraordinary resolutions will be presented for shareholder approval at the Company’s forthcoming Annual General Meeting scheduled for or around 24 November 2011. Details of the resolutions relevant to this Independent Expert’s Report, which are not interdependent, are to seek shareholder approval for:

- Resolution 4(b)(i) – the issue of 47.5 million fully paid ordinary shares in the Company to Main Ace Investment Limited (“Main Ace”), an associate of Mr Tan, at a price of \$0.02 per share for an investment in Two Way for the sum of \$0.95 million;
- Resolution 4(b)(ii) – the issue of 30 million options to Main Ace exercisable at \$0.028 within three years from the date of issue;
- Resolution 4(b)(iii) – the issue of new fully paid ordinary shares in the Company to Main Ace on the subsequent exercise of the options in Resolution 4(b)(ii); and
- Resolution 4(c) – election of Mr Tan as a Director.

2.5 The Company will disregard any votes cast on the resolution by:

- A related party to the Transaction; and
- A person or party who is to receive securities in relation to the Transaction.

2.6 There are also other ordinary items of business for the consideration of shareholders at the meeting which are not directly relevant to the Transaction. These items are summarised below:

- Item 1 – Presentation of the Company’s Annual Report comprising the Report of the Directors, Auditor’s Report and Financial Report to shareholders;
- Item 2 – Seek shareholder approval for a non-binding resolution to adopt the Remuneration Report; and
- Item 3 – Re-election of director Mr Christopher Roberts Grant-Foster, in accordance with provisions in the Company’s constitution.
- Item 4(a) – Approval for the previous issue of 12.5 million shares at \$0.02 to Mr Tan and his associates.

2.7 For the Transaction to proceed, it must be approved by the Non-Associated Shareholders. The following table sets out the effect on the share capital of Two Way after the Transaction, with and without the exercise of options issued:

TWO WAY LIMITED	
Effect on Ordinary Shares	Number of Shares
Ordinary shares currently on issue	220,421,004
Shares issued to Mr Tan on 27 September 2011 – Tranche 1	12,500,000
Shares to be issued to Main Ace after shareholder approval – Tranche 2 per Resolution 4(b)(i)	47,500,000
Total ordinary shares on issue after transaction	280,421,004
<i>Impact of options if fully exercised</i>	
Options to be issued to Main Ace after shareholder approval per Resolution 4(b)(ii) fully exercised	30,000,000
Total ordinary shares on issue after exercise of all options issued to Main Ace	310,421,004

TWO WAY LIMITED	
Effect on Options	Number of Options
Options currently on issue ⁽¹⁾	1,287,240
Options issued to Main Ace	30,000,000
Total options on issue after issue to Main Ace	31,287,240

⁽¹⁾ Options issued to current and former TTV employees progressively over the year ended 30 June 2009, all were out-of-the-money as at 20 September 2011 (Transaction announcement date), with an exercise price greater than the closing price of TTV shares on the ASX. Such options have therefore been ignored for the purposes of this report.

2.8 Following the issue of 12.5 million shares on 27 September 2011, Mr Tan currently holds a 5.37% interest in the issued ordinary shares of Two Way. When Resolution 4(b) is approved and completed through the issue of new shares, Mr Tan will be entitled to an interest of approximately 21.39% of the Company’s issued ordinary shares and voting rights attached to such shares. With the exercise of all 30 million options issued by Two Way, Mr Tan will hold 28.99% of issued capital.

STRUCTURE OF REPORT

Our report is set out under the following headings:

3	PURPOSE OF REPORT
4	OPINION
5	BASIS OF EVALUATION
6	BACKGROUND
7	OVERVIEW OF TWO WAY
8	VALUATION METHODOLOGIES
9	VALUE OF TWO WAY
10	ADVANTAGES AND DISADVANTAGES OF THE PROPOSAL
11	CONCLUSION AS TO FAIRNESS AND REASONABLENESS

APPENDICES

I	SOURCES OF INFORMATION
II	STATEMENT OF DECLARATION & QUALIFICATIONS
III	REVIEW OF FINANCIAL PROJECTIONS
IV	FINANCIAL SERVICES GUIDE

3 PURPOSE OF REPORT

- 3.1 The purpose of this report is to advise the Non-Associated Shareholders of TTV of the fairness and reasonableness of the Transaction.
- 3.2 This report provides an opinion on whether or not the terms and conditions in relation to the transaction are fair and reasonable to the TTV shareholders whose votes are not to be disregarded in respect of the transaction (that is, the Non-Associated Shareholders).
- 3.3 The ultimate decision whether to accept the terms of the Transaction should be based on each shareholders' assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Transaction or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.4 For the Transaction to be fair, the value of the consideration being paid by Main Ace must be equal to or greater than the value of the TTV ordinary shares to be issued to Main Ace. To be reasonable the shareholders must obtain an overall benefit if the transaction proceeds.
- 3.5 This report has been prepared to satisfy the requirements of the Corporations Act 2001 ("Corporations Act") and the Australian Securities Exchange ("ASX") Listing Rules.

Corporations Act Requirements

- 3.6 If the Transaction is approved, Mr Tan will be entitled to a 21.39% interest in TTV's issued ordinary shares, following the issue of 60 million new fully paid ordinary shares as contemplated in the proposed resolutions. With the exercise of the 30 million options issued to Main Ace as part of the Transaction, Mr Tan will hold 28.99% of issued equity in TTV, reducing the Non-Associated Shareholder's interest to 71.01%. Section 606(1) of the Corporations Act states that a person must not acquire an interest in issued voting shares in a listed company if that person's or any other person's voting power increases to above 20%. Section 606(1) prohibits Mr Tan from acquiring the issued ordinary shares in TTV under the Transaction, unless one of the exemptions under Item 7 of Section 611 of the Corporations Act applies.
- 3.7 The exceptions set out in Item 7 of Section 611 of the Corporations Act include an acquisition that is approved by a resolution of shareholders of TTV passed at a general meeting as per Section 611. This is the exception which is being relied upon by the TTV shareholders. At the general meeting of TTV, no votes will be allowed to be cast by those persons (or their associates) acquiring shares under the Transaction (that is, the existing shareholders of Main Ace).
- 3.5 Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 "Content of Experts Reports" requires, amongst other things, that directors of a company need to provide shareholders with an analysis of whether a proposed transaction is fair and reasonable, when considered in the context of the interests of the Non-Associated Shareholders. Regulatory Guide 111 recommends that this analysis should include an independent expert's report. The independent expert is required to state whether, in their opinion, the proposal is fair and reasonable having regard to the interests of non-

associated shareholders and state the reasons for forming that opinion. This report provides such an opinion.

ASX Listing Rules

- 3.7 ASX Listing Rule 7.1 states that without the approval of holders of ordinary shares, an entity must not issue or agree to issue more equity securities than the number calculated according to the following formula:

$$(A \times B) - C$$

Where:

A = The number of fully paid ordinary securities on issue 12 months prior to the date of agreement;

- Plus the number of fully paid ordinary securities issued under an exception in ASX Listing Rule 7.2,
- Plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- Plus the number of fully paid ordinary securities that become fully paid in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1,
- Less the number of fully paid ordinary securities cancelled in the 12 months.

B = 15%

C = The number of equity securities issued or agreed to be issued in the 12 months prior to the date of the issue or agreement to issue but under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

- 3.8 The issue of ordinary securities under the Transaction will result in an issue of TTV ordinary shares greater than allowed under the above formula. Accordingly, under ASX Listing Rule 7.1 TTV must obtain approval from the holders of the ordinary shares.

4 OPINION

4.1 In our opinion, the proposed Transaction is fair and reasonable to the Non-Associated Shareholders of TTV.

4.2 Our opinion is based solely on information available as at the date of this report.

4.3 The principal factors that we have considered in forming our opinion are summarised below.

Fair

4.4 For the Transaction to be fair, the value of the consideration being paid by Main Ace must be equal to or greater than the value of the TTV shares and options to be issued to Main Ace.

4.5 Based on the analysis contained in this report, the indicative value of the TTV shares and options is as follows:

TWO WAY LIMITED			
	Value	Number Issued	Total Value
Shares ⁽¹⁾	\$0.0174	60 million	\$1.04 million
Options	\$0.0032	30 million	\$0.09 million
			\$1.13 million

⁽¹⁾ inclusive of a 10% premium for control.

4.6 The consideration being paid by Main Ace for the 60 million shares and 30 million options in TTV is **\$1.2 million in cash**. One option will be issued to Main Ace for every two shares acquired. Based on the value attributed to the options of \$0.0032 each, the value paid by Main Ace for the purchase of the shares is \$0.0184 per share.

4.7 Our valuation of \$0.0174 per share is the value per TTV ordinary share prior to the Transaction on a control basis, inclusive of a 10% premium for control. In order to assess whether the Transaction is fair, we also compare the pre-transaction value per share of TTV on a control basis with the post-transaction value per share of TTV on a minority basis. This is set out in the table below:

TWO WAY LIMITED		
Discounted Cash Flow Valuation		
	Undiluted	Diluted
Market value of shares	\$3,482,652	\$3,482,652
Shares outstanding before Transaction	220,421,004	220,421,004
Value per share on portfolio basis ⁽¹⁾	\$0.0158	\$0.0158
Control premium	10%	10%
Control value per share (pre-Transaction)	\$0.0174	\$0.0174

Post-Transaction Analysis

New shares issued to Main Ace	60,000,000	60,000,000
New options issued to Main Ace	-	30,000,000
Post-Transaction shares on issue	280,421,004	310,421,004
Value per share on portfolio basis	\$0.0158	\$0.0158
Control valuation	\$4,430,652	\$4,904,652
Consideration received for shares	\$1,200,000	\$1,200,000
Consideration received for options ⁽¹⁾	-	\$840,000
Post-Transaction value on portfolio basis	\$5,630,652	\$6,944,652
Value per share post-Transaction	\$0.0201	\$0.0224

⁽¹⁾ based on an exercise price of \$0.028 per option

4.8 Therefore, based on a comparison of the value attributed to TTV shares on a control basis pre-Transaction; the consideration being provided by Main Ace; and the value attributed to TTV shares on a minority basis post-Transaction; in our opinion the Transaction is fair.

Reasonable

4.9 ASIC Regulatory Guide 111 states that a transaction is reasonable if:

- The Transaction is fair; or
- Despite not being fair the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

4.10 We have concluded that the Transaction is reasonable. In forming our opinion we have considered the following relevant factors.

4.11 There will be a greater opportunity for the Non-Associated Shareholders to receive value should the Transaction proceed, as TTV currently has a loss-making business. The transaction provides essential working capital into the business to enable the Company to continue trading its core businesses towards a profitable result, and increase the opportunity for a return on any investment.

4.12 Relevant issues we have considered in relation to a reasonable conclusion for the Transaction include:

- TTV is still in its start-up phase and has been making significant losses;
- TTV does not have any free cash flows nor have sufficient cash reserves to achieve growth objectives;
- Other subscribers for the necessary funds required to meet the company's objectives have not been identified;
- The TTV business model is relatively new and unproven in Australia.

4.13 *Accordingly, in our opinion, the Transaction is fair and reasonable to the Non-Associated Shareholders of TTV.*

5 BASIS OF EVALUATION

- 5.1 In our assessment of whether the Transaction is fair and reasonable to Non-Associated Shareholders, we have given due consideration to the Regulatory Guides issued by the ASIC, in particular, Regulatory Guide 74 “Acquisitions Agreed to by Shareholders”, Regulatory Guide 111 “Content of Experts Reports” and Regulatory Guide 112 “Independence of Experts Reports”.
- 5.2 ASIC Regulatory Guide 74 requires, amongst other things, that shareholders are provided with sufficient information to make an effective, informed decision on whether the proposed Transaction is fair and reasonable. Under Regulatory Guide 111, a transaction is ‘fair’ if the value of the asset being acquired (in this case the consideration being paid by Main Ace) is equal to or greater than the value of the securities being issued. Additionally, under Regulatory Guide 111 an offer is ‘reasonable’ if it is fair. It is possible for an offer to be reasonable despite being unfair, if after considering other non-financial factors the shareholders should still accept the offer.
- 5.3 Our report has compared the likely advantages and disadvantages to Non-Associated Shareholders if the Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not. Comparing the consideration to be paid under the proposal and the value of the shares being issued is only one element of this assessment.
- 5.4 Additionally we have considered whether any shareholder will obtain a level of control in TTV as a result of the proposed Transaction. In the event that a change in control arises from the proposed Transaction, proportionately greater benefits to non-associated shareholders must be demonstrated. In this case Main Ace will obtain control of TTV and this issue needs to be considered in comparing the value received by Non-Associated Shareholders in comparison to the value being paid.
- 5.5 Normal valuation practice is to determine the fair market value of an asset assuming a counter party transaction between a willing and not anxious buyer and a willing but not anxious seller, clearly at arm’s length. We have adopted this approach in determining the market value of TTV.
- 5.6 In evaluating the Transaction, we have considered the value of the TTV shares and options being issued and compared this to the amount of consideration to be paid by Main Ace.
- 5.7 We consider that the Transaction will be fair and reasonable if, on balance, the Non-Associated Shareholders in TTV will be better off if the Transaction is approved. We will also consider the Non-Associated Shareholder’s interests should the Transaction not proceed.
- 5.8 In our assessment of the Transaction we have considered, in particular the following:
- The operational and financial position of TTV;
 - The value of TTV securities, under various methodologies;
 - Any control premium associated with the Transaction;
 - The advantages and disadvantages associated with approving the Transaction;
 - Share trading history of TTV shares;

- The likely value and liquidity of TTV shares in the absence of the acquisition.
- 5.9 The documents and information relied on for the purpose of this valuation are set out in Appendix I. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Transaction is fair and reasonable. However, in assignments such as this, time is limited and we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose. None of these additional tasks have been undertaken.
 - 5.10 We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.
 - 5.11 An important part of the information used in forming an opinion of the kind expressed in this report is the opinions and judgement of management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
 - 5.12 We in no way guarantee the achievability of the forecasts of future profits. Forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts.
 - 5.13 We have assumed these forecasts have been prepared fairly and honestly based on the information available to management at the time and within the practical constraints and limitations of such forecasts. We have assumed that the forecasts do not reflect any material bias. We have no reason to believe that these assumptions are inappropriate.
 - 5.14 HCC are not the auditors of Two Way or Main Ace. The partners of Hall Chadwick Chartered Accountants and Business Advisors Sydney have a 100% interest in HCC. We have analysed and reviewed information provided by the Directors of Two Way and have made further enquiries where appropriate.
 - 5.15 This report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this report which may impact upon this report or which may impact upon the assumptions referred to in the report.

6 BACKGROUND

- 6.1 Two Way is an ASX listed public company and has focused its business activities on interactive media. Further information on the Company's operations is set out at Section 7 of this report.
- 6.2 The Company has incurred losses in recent financial years as it sought regulatory approval for its interactive wagering platform from each state-based wagering authority. Its flagship product was approved in New South Wales and Victoria during 2008, while approvals for other mainland Australian states were only received during the past six months. To enable further marketing and development of its products, TTV has sought additional equity capital from investors, who also have the benefit of being experienced industry executives.
- 6.3 Main Ace is an associate company of Mr Tan, who has extensive experience in interactive television, mobile and new media businesses throughout Asia.
- 6.4 On 20 September 2011, TTV announced it had entered into a conditional agreement to issue 60 million new shares at a price of \$0.02 per share and 30 million options at an exercise price of \$0.028 to Mr Tan, for a potential \$2.04 million investment in the Company. Depending on if the issued options are subsequently exercised, Mr Tan will hold an interest of 28.99% in TTV. The agreement is conditional on TTV shareholder approval.

7 OVERVIEW OF TWO WAY

Corporate History

- 7.1 TTV was officially listed on the ASX on 23 December 2004 and has focused its business activities on the management and development of interactive media products and services for television and other platforms.
- 7.2 The Company has developed an advanced interactive television wagering service known as “tab active” with Tabcorp Holdings Limited (ASX code ‘TAH’) and the subscription television service FOXTEL, which was launched in the New South Wales and Victoria market during 2008. Within the past six months, “tab active” has since been approved by relevant state-based regulatory authorities and expanded to all mainland Australian states. TTV is currently the only live betting service linked to the totalisator operations of all major wagering agencies in Australia, and is also the first television transaction service.
- 7.3 TTV announced to the ASX on 20 September 2011 it had entered into an agreement to issue new shares to Main Ace to raise additional capital for the Company’s business activities. At this time the Company’s shares last traded on the ASX at \$0.019.

Financial Information

7.4 Set out below is the Audited Balance Sheet of TTV as at 30 June 2011. We have confirmed with Directors that there has been no material change in the net asset position of TTV since 30 June 2011.

TWO WAY LIMITED	
Balance Sheet as at 30 June 2011	
<u>CURRENT ASSETS</u>	
Cash assets	234,588
Receivables	137,384
Other	38,794
	410,766
 <u>NON-CURRENT ASSETS</u>	
Plant & equipment	24,436
	24,436
TOTAL ASSETS	435,102
 <u>CURRENT LIABILITIES</u>	
Payables	150,243
Provisions	220,031
	370,274
 <u>NON-CURRENT LIABILITIES</u>	
Provisions	41,600
TOTAL LIABILITIES	411,874
NET ASSETS	23,228
 <u>EQUITY</u>	
Contributed equity	48,743,742
Reserves	51,000
Accumulated losses	(48,771,514)
TOTAL EQUITY	23,228

- 7.5 Set out below is the Income Statement of TTV for the year to 30 June 2010 and for the year ended 30 June 2011.

TWO WAY LIMITED		
Income Statement		
	For the year ended 30 June 2011	For the year ended 30 June 2010
Revenue from ordinary activities	1,595,288	1,696,946
Expenses from ordinary activities	(2,821,145)	(4,723,905)
Net profit/(loss) before income tax benefit	(1,225,857)	(3,026,959)
Income tax offset / (expense)	196,660	(23,039)
Net profit/(loss) after income tax benefit	<u>(1,029,197)</u>	<u>(3,049,998)</u>

- 7.6 Set out below is the Audited Consolidated Cash Flow Statement of TTV for the year ended 30 June 2011.

TWO WAY LIMITED	
Cash Flow Statement	
	For the year ended 30 June 2011
<i>Cash Flows From Operating Activities</i>	
Receipts from customers	1,679,954
Payments to suppliers and employees	<u>(2,738,173)</u>
<i>Net cash provided by operating activities</i>	(1,058,219)
<i>Cash Flows From Investing Activities</i>	
Interest received	29,175
Purchase of property, plant and equipment	<u>(6,894)</u>
<i>Net cash used in investing activities</i>	22,281
<i>Cash Flows From Financing Activities</i>	
Proceeds from issue of shares	565,039
Payment of share issue costs	<u>(37,094)</u>
<i>Net cash used in financing activities</i>	527,945
Net Increase / (Decrease) In Cash Held	(507,993)
Cash At The Beginning Of The Financial Year	<u>742,581</u>
Cash At The End Of The Financial Year	<u>234,588</u>

8 VALUATION METHODOLOGIES

Selection of Methodology

- 8.1 In order to assess the fairness of the Transaction a value needs to be attributed to TTV shares.
- 8.2 In assessing the value of TTV we have considered a range of valuation methods. ASIC Regulatory Guide 111 *Content of Expert Reports* states that in valuing a company the expert should consider the following commonly used valuation methodologies:
- Capitalisation of Future Maintainable Earnings: the value of trading operations based on the capitalisation of future maintainable earnings;
 - Market Value of Shares: the quoted price for listed securities in a liquid and active market;
 - Discounted Cash Flow: the net present value of future cash flows;
 - Realisation of Assets: the amount that would be available for distribution to security holders on an orderly realisation of assets;
 - Comparable Market Transactions: the identification of comparable sale transactions for a company in similar business or industry to that being valued.

We consider each of these valuation methodologies below.

Capitalisation of Future Maintainable Earnings

- 8.3 Under the earnings based valuation method, the value of the business is determined by capitalising the estimated future maintainable earnings of the business at an appropriate capitalisation rate or multiplier of earnings. The multiple is a coefficient, representing the risk that the business may not achieve projected earnings.
- 8.4 This method is appropriate in valuing a business when there is a history of earnings, the business is established and it is assumed the earnings are sufficiently stable to be indicative of ongoing earnings potential.
- 8.5 HCC have assessed that it is not appropriate to value the business of TTV under the income approach using the capitalisation of future earnings method as:
- The company does not have a historical earnings trend on which to base a valuation as it has experienced significant prior year losses, including over \$3 million in the year to June 2010, reducing to \$1 million for the year to June 2011; and
 - There are other more appropriate valuation methods available.

Market Value of Shares as Quoted on the ASX

- 8.6 This method involves the valuation of an entity based on its actively traded equities, which represent the market capitalisation of the share capital of the entity, in a liquid and knowledgeable market.
- 8.7 Any assessment of the market value of the quoted equities needs to consider the following:

- The liquidity of the quoted equity based on the volume and frequency of trading;
- The number of ‘unusual’ and/or ‘abnormal’ trades that occur; and
- The timing and level of dissemination of information to the market.

- 8.8 If a quoted ordinary equity is traded in an active, liquid and knowledgeable market, then the market price of the quoted ordinary equity should represent the ‘fair’ market value of the quoted ordinary equity.
- 8.9 A premium may also need to be applied to the value of the quoted ordinary equity to determine the value of the equity holding in the circumstances where a party is acquiring or increasing a controlling equity position.
- 8.10 We consider that adopting a market value of shares methodology to determine an indicative value of TTV is appropriate as it reflects all publicly available information on the company and therefore we believe it is a reliable reflection of the current value of TTV shares.

Discounted Cash Flow – Net Present Value

- 8.11 Discounted cash flow valuations involve calculating the value of a business on the basis of the net cash flows that will be generated from the business over its life. The cash flows are discounted to reflect the risk involved with achieving the forecast cash flows.
- 8.12 Although technically the most theoretically correct method to value a business, discounted cash flow methodology is usually very susceptible to changes in business inputs and assumptions, making it the most difficult to apply in valuing a business.
- 8.13 Although the discounted cash flow approach relies on the availability of long-term earnings and cash flow forecasts, it is particularly suited to situations where cash flows are not stable or where significant cash outflows will be incurred prior to cash inflows being earned.
- 8.14 While management of TTV have prepared earnings and cash flow forecasts for internal use for an additional eight years after the end of the current financial year (ending 30 June 2012), the start-up nature of the Company’s core product results in such forecasts being provided with limited confidence. Any value calculated using the discounted cash flow method is therefore used as a secondary means of valuation only.
- 8.15 The use of the discounted cash flow method has only been used as a secondary methodology because:
- There is a lack of reliable information and forecasts on the business’ future prospects;
 - The past history of significant trading losses; and
 - There are other more appropriate methods available.

Realisation of Assets

- 8.16 The asset approach to value is based on the assumption that the value of all assets (tangible and intangible) less the value of all liabilities should equal the value of the entity.

- 8.17 This approach is generally not appropriate where assets are employed productively and are earning more than the cost of capital.
- 8.18 As TTV is predominantly a revenue based business, the book value of the assets are not representative of the inherent value of the business and accordingly this method is not appropriate. In addition to this, the business does not have any tangible assets of significant value. Accordingly, this method is not appropriate, as it will not provide a true indication of the value of the businesses.

Comparable Market Transactions

- 8.19 This methodology involves the identification of comparable sale transactions for a company in a similar business or industry to that being valued.
- 8.20 We have determined that this method is not considered appropriate for valuing TTV due to the following:
- Lack of comparable transactions – most of the other businesses in the gaming and interactive entertainment sector are different in terms of type and stage of business operations and geographical location;
 - Lack of historical or current earnings as a basis for applying a multiple of earnings;
 - There are other more appropriate methods available.
- 8.21 We are also not aware of any alternative offers or transactions for the acquisition of the shares in TTV.

Valuation of Options

- 8.22 The Black-Scholes Option Pricing Model (“Black-Scholes”) is commonly used for assessing the value of options over shares. Other valuation methodologies include computing the difference between the share price and the option exercise price and taking into consideration the benefit to the option holder of having the use of the funds required to exercise the option less the present value of the foregone dividends on the shares.
- 8.23 Black-Scholes is a recognised and accepted model for the valuation of options and HCC has selected this as the preferred method as it takes into account the key parameters effecting the option valuation.

8.24 The Black-Scholes formula is as follows:

$$P_o = \frac{P_s N(d_1) - \frac{EN(d_2)}{(1+r)^t}}$$

$$d_1 = \frac{\log(P_s / (E/(1+r)^t)) + (q\sqrt{t})/2}{q\sqrt{t}}$$

$$d_2 = d_1 - q\sqrt{t}$$

where:

P_o	=	the current value of the option
P_s	=	the current price of the share
E	=	the exercise price of the option
t	=	the time remaining before expiration (in years)
r	=	the continuously compounded risk free rate of interest
q	=	an estimate of the standard deviation of the continuously compounded annual rate of return on the shares
$N(d_1)$ & $N(d_2)$	=	the probability that a deviation less than d will occur in a normal distribution with a mean of zero and a standard deviation of one.

8.25 The assumptions underlying the Black-Scholes are as follows:

- the underlying share pays no dividends during the life of the option;
- the option can only be exercised on the expiration date;
- there are no margin requirements, taxes or transaction costs;
- the risk-free interest rate is constant over time and the market operates continuously;
- the volatility of the share is constant and is defined as the standard deviation of the share's price movement;
- short selling is permitted.

Premium for Control

8.26 When considering transactions involving a substantial equity holding of a company, it is appropriate to address whether a premium for control should attach to the transaction. A premium for control is the difference between the price for each share that a buyer would be prepared to pay to obtain a controlling interest in a company and the price per share that would be required to purchase a share that does not carry with it a controlling interest. In most cases, the value of a controlling interest in the shares in a company significantly exceeds the listed market value of the shares. This reflects the fact that:

- the owner of a controlling interest in the shares in a company obtains access to all free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder;
- the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds;
- a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company; and
- the entity taking over the company is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

8.27 Our experience suggests that the premium for control (over and above the market price of the Company's shares) ranges, on average, between 20% and 35%. However, the appropriate premium for control depends on the specific circumstances and, in particular, the level of synergy benefits able to be extracted by potential acquirers and the degree of confidence about the level and achievability of potential synergies and their timing.

- 8.28 The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20% to 35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through a raising.
- 8.29 A shareholder or group of associated shareholders are deemed to influence a company when they have control of more than 20 per cent of the issued shares in a company. At this time a premium for control should normally be considered.
- 8.30 For the reasons detailed above, we have determined that the change in the level of ownership is sufficient in the proposed transaction to require a premium for control to be included when valuing the TTV shares.
- 8.31 As detailed above, although a premium for control ranges, on average, between 20% and 35%, we have applied a premium for control of 10% to the value of TTV shares which is below the above range because:
- Main Ace will not obtain full control of TTV and shareholders will retain an opportunity to obtain a premium on any subsequent increase in control by Main Ace or alternatively a sell-down to a third party;
 - TTV remains in the start-up phase of development, with its “tab active” product yet to operate nationally for a full financial period, whilst the Company has incurred significant losses in prior years of operation;
 - Main Ace will not obtain any synergy advantages;
 - TTV currently has only a few relatively small investments and no material surplus assets; and
 - No free cash flows are available to be extracted by Main Ace obtaining control of TTV.

9 VALUE OF TWO WAY

Selected Methodologies

- 9.1 We have selected the Market Value of Shares and Discounted Cash Flow as the primary and secondary valuation methodologies respectively for TTV as detailed in section 8.
- 9.2 In forming an opinion on the valuation methodologies selected for TTV, HCC has considered the following:
- The historical and future performance of the business;
 - The current revenue contracts of the business;
 - The industry in which the business operates;
 - The period of time in which the business has been operating;
 - Competition in the market in which TTV operates; and
 - Information provided and discussions undertaken with management regarding future operations of the business.

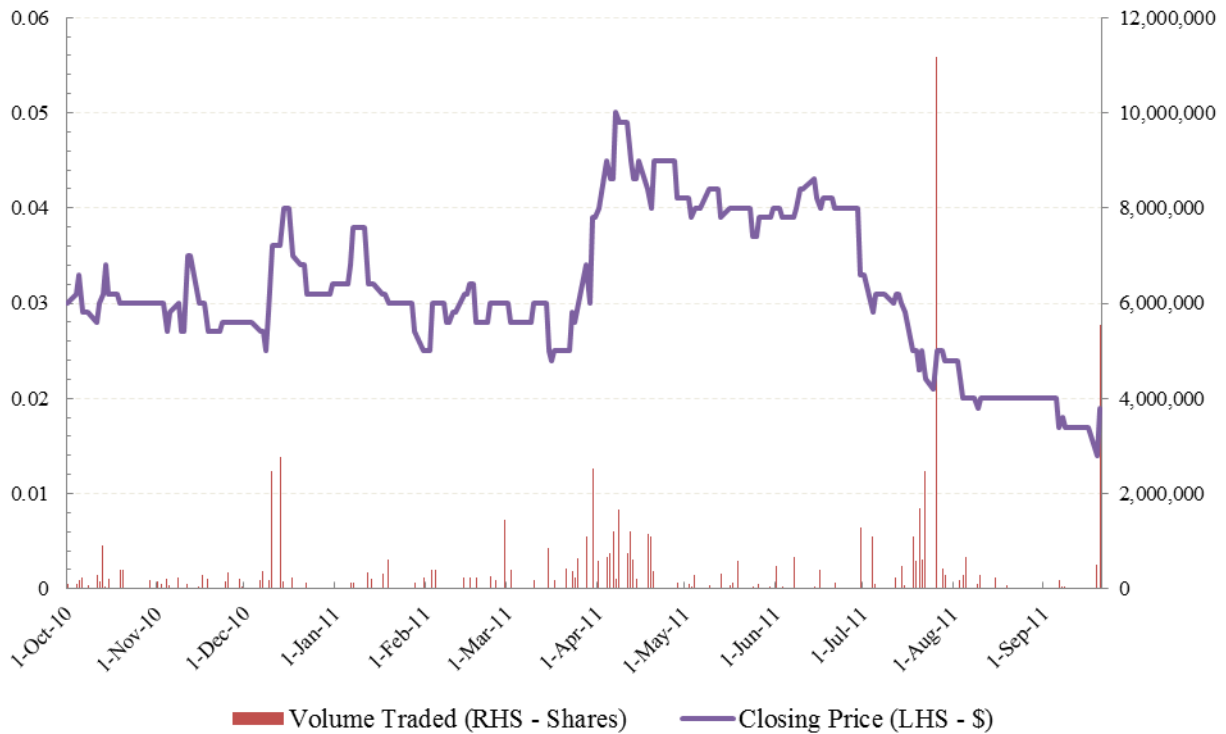
Financial information relied upon in applying selected valuation methods

- 9.3 We have reviewed the audited financial accounts for the last three years and the unaudited management accounts and forecasts of TTV. Ultimately, the Management of TTV are responsible for the preparation and presentation of the financial information provided. The purpose of our review is to establish that the financial information used is not materially misstated. This review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Market Value of Shares

- 9.4 In our opinion, the value of TTV for the purpose of the Transaction should be examined on the basis of the current market value of the shares listed on the ASX. The market value of the shares listed on the ASX reflects all publicly available information on the company and therefore we believe it is a reliable reflection of the current value of the Company.
- 9.5 The following chart illustrates the trading history of TTV shares over the last twelve months.

TTV Closing Price Chart (1 Oct 2010 to 20 Sep 2011)



- 9.6 In the month of September prior to the Transaction announcement, TTV shares traded in the range of \$0.014 to \$0.02, with a volume weighted average price (“VWAP”) of \$0.0158. The TTV share price reached a high of \$0.02 on 22 August 2011 and had remained at that level for two weeks then fell to a low of \$0.014 on 19 September 2011.
- 9.7 On 20 September 2011, TTV announced the proposed Transaction.
- 9.8 In the five trading days subsequent to the Company’s announcement of the Transaction, TTV shares have traded in the range of \$0.016 to \$0.019 and closed at \$0.016 per share on 27 September 2011, one week after the Transaction announcement.
- 9.9 The table below sets out the movement of TTV share prices and trading prior to and including announcement of the proposed Transaction on 20 September 2011:

TWO WAY LIMITED

Share Price and Trading History Prior to Transaction Announcement

	High \$	Low \$	VWAP ⁽¹⁾	Average Daily Volume
1 week	0.019	0.014	0.0158	19,030
1 month ⁽²⁾	0.020	0.014	0.0158	451,010
2 months	0.024	0.014	0.0168	221,040
3 months	0.033	0.014	0.0211	492,546
6 months	0.050	0.014	0.0285	371,296
12 months	0.050	0.014	0.0306	281,263

⁽¹⁾ The VWAP was calculated using the total value of all transactions divided by the total trading volume in the time period considered.

⁽²⁾ Trading during month of September to announcement, that is 1 to 20 September 2011.

- 9.10 We conclude that the value of the TTV shares under the market value approach for the purpose of this report is in the range of \$0.014 to \$0.020, with a volume weighted average price of \$0.0158 per share, being the volume weighted pricing in the month of September prior to the announcement of the Transaction. We believe the September VWAP is most reflective of all publicly available information regarding the Company, as the year ended 30 June 2011 financial results were announced in an ASX Release on 31 August 2011.
- 9.11 We note this valuation is on a portfolio basis and does not reflect a premium for control. Accordingly, a premium of 10% should be added to reflect a controlling interest in TTV, such that the final valuation of TTV increases to **\$0.0174 per share**.

Cash Flow Forecasts and Major Assumptions

- 9.12 In our opinion, the discounted cash flow valuation method may be adopted as a secondary valuation for TTV shares. As outlined in paragraph 8.14, TTV management have prepared forecasts of cash flows for internal use for the current and the subsequent eight financial years, until the year ending 30 June 2020. The directors of Two Way are responsible for the preparation and presentation of the forecasts and the information contained therein, including the assumptions on which they are based.
- 9.13 The directors have projected increasing cash flow year-on-year for the entire forecast period. In particular, annual growth in core wagering revenues is forecasted at 10% for the latter six of the next eight years of business operations beyond the current financial period (year ending 30 June 2012). TTV earns a commission on the amount wagered by users of its “tab active” platform, where contracts with the various state-based totalisator agencies expire at varying dates to July 2016, after which renewal is assumed by the directors given the entrenched nature of “tab active” with their respective clientele.
- 9.14 The Company expects to generate its maiden profit result in the year ending 30 June 2013, after the comprehensive marketing campaign funded by the Transaction establishes the “tab active” offering firmly in the Australian market. Revenues generated in existing markets are expected to increase significantly from a forecast \$1.40 million this financial year to \$3.16 million annually by June 2016. Management forecasts also incorporate the expansion of TTV products to Tasmania, the two mainland territories and overseas markets, specifically New Zealand and Singapore, where the Company expects to receive necessary regulatory approvals to commence operating in those countries during the year ending 30 June 2013.
- 9.15 Whilst the Company holds a number of opportunities to grow and expand the business with a unique offering in the markets in which TTV operates, the “tab active” product has operated nationally for less than six months as at the date of this report, significant uncertainty exists regarding the realisation of financial forecasts. In particular, further expansion into other markets is dependent upon success in the markets TTV presently operates. As such, we have examined the forecast financials for five years inclusive of

the current financial period, to the year ending 30 June 2016 for the purposes of a secondary valuation using the discounted cash flow methodology.

- 9.16 Set out in the following table are the five-year cash flow forecasts which we have adopted in preparing our valuation of TTV using the discounted cash flow methodology:

TWO WAY LIMITED					
Cash Flow Assumptions (in \$'000)					
	June 2012	June 2013	June 2014	June 2015	June 2016
Revenue	2,093.3	4,469.8	3,834.3	4,434.4	4,979.5
Expenses	(2,695.3)	(2,753.0)	(2,874.5)	(2,946.2)	(3,080.8)
Depreciation ⁽¹⁾	25.5	19.1	20.5	20.0	8.8
Net Operating Cash Flow	(576.5)	1,735.9	980.3	1,508.2	1,907.4

⁽¹⁾ Expenses based on TTV internal management profit and loss forecasts, adjustments were applied to remove depreciation expense, which has no cash flow impact.

- 9.17 The discount rate adopted in our secondary valuation is based on the Capital Asset Pricing Model (“CAPM”). Specifically, we adopted the following assumptions as inputs in determining the appropriate discount for the discounted cash flow calculation:

- Risk interest rate – 4.15%, Australian Commonwealth Government ten-year bond rate on 20 September 2011, the date the proposed Transaction was announced;
- Beta factor – 2.5, reflective of higher risk as described in paragraph 9.18 below ; and
- Market risk premium – 7% for a low premium (and thus higher valuation) and 8% for a high premium (resulting in a lower valuation), based on findings from several empirical studies.

- 9.18 As TTV holds no interest-bearing liabilities, the Company’s weighted average cost of capital (“WACC”) is identical to the cost of equity as determined by the CAPM. We have adopted a high and low valuation of TTV using a CAPM discount rate of 21.65% and a greater discount rate of 24.15% respectively, which reflects the impact of the lower (7%) and higher (8%) market risk premium. Both discount rates adopt a beta factor of 2.5, a figure higher than the industry average to reflect that TTV is:

- In the start-up phase of the Company’s operations, with a core product in the early stages of a national marketing campaign;
- A small enterprise with a market capitalisation of less than \$4 million as at the date of this report, resulting in a concentration of risk; and
- Traded with limited volumes on the ASX, resulting in reduced liquidity in the Company’s shares.

Discounted Cash Flow

- 9.19 Set out in the table below are the high and low valuations of TTV, with the respective discount rates applied in calculating an equity value using the discounted cash flow methodology.

TWO WAY LIMITED		
Discounted Cash Flow Valuation		
	High Value	Low Value
Discount Rate per CAPM	21.65%	24.15%
Value of Equity	\$6.80 million	\$5.81 million
Shares Outstanding before Issue	220.421 million	220.421 million
Total Shares Issued to Main Ace ⁽¹⁾	60 million	60 million
Value per share (after Transaction)	\$0.0242	\$0.0207

⁽¹⁾ The cash flow projections assume the inflow of capital from Main Ace. As TTV would otherwise have insufficient cash for the forecast period, we have based our value per share on the number of shares on issue after the Transaction.

- 9.20 As illustrated in the results above, the valuation is highly susceptible to the discount rate applied. Due to the start-up nature of the TTV business and the uncertainty and hypothetical nature of the forecast cash flows, we have not relied on the discounted cash flow as a primary method of valuing the TTV shares in respect of the proposed Transaction.

Market Value of Options

- 9.21 As part of the Transaction, TTV will issue 30 million options to Main Ace at an exercise price of \$0.028 within five days of shareholder approval of Resolution 4(b) at the Annual General Meeting, where the options will be valid immediately upon issue for a period of three years. The exercise price and validity period to be issued to Main Ace are different to the 1.257 million options currently outstanding, which were issued progressively over the past three years to current and former employees of Two Way. Hence, to determine a value for the type of option to be issued under the Transaction, for which an active market does not presently exist as TTV options are not quoted on any securities exchange, we apply the Black-Scholes.
- 9.22 The assumptions underlying the Black-Scholes formula outlined in paragraph 8.24 above for the options to be issued to Main Ace are as follows:

Ps	=	current value of the Two Way shares under the share market value approach is \$0.0158 on a post consolidation basis
E	=	exercise price of \$0.028
t	=	36 months
r	=	3.62%, Australian Commonwealth Government bond rate for exercise period (three years)
q	=	50%, based on movements in the TTV share price, adjusted for the the historically high volatility of the TTV shares, which is not expected to occur to the same extent in the future.

- 9.23 Based on our analysis of TTV shares and the application of the Black-Scholes formula above, we are of the opinion that the indicative valuation of the TTV options being issued pursuant to the Transaction total **\$0.0032 per option**.

Conclusion on the Value of Two Way Securities

- 9.24 In our opinion the value of the TTV shares for the purpose of this report is as follows:

TWO WAY LIMITED			
Valuation Summary			
	Low	High	Average
Market Value of Shares	\$0.0140	\$0.0200	\$0.0158 (VWAP)
Discounted Cash Flow	\$0.0207	\$0.0242	\$0.0225 (midpoint)

- 9.25 The market value of shares approach is based on the VWAP of TTV shares listed on the ASX in the period prior to announcement of the Transaction. It reflects all publicly available information regarding TTV and its future prospects at the time, from the perspective of an arms-length buyer and seller. In contrast, the discounted cash flow is based upon management forecasts of the future financial performance of TTV. A number of assumptions are adopted in preparing such forecasts, with significant inherent uncertainty as to the future realisation of the forecasts. Due to the relative weaknesses of the discounted cash flow methodology, we have adopted the market value of shares as our primary valuation metric for TTV in relation to the Transaction.
- 9.26 We believe the market value of shares approach is the most appropriate in assessing a value of TTV shares and therefore conclude that, for the purpose of this report, the valuation of TTV shares is in the range of \$0.014 to \$0.02 per share as at the date of this report, with a preferred value of \$0.0158. With the additional 10% to the reflect a premium for control as described in paragraph 8.26 to 8.31 and 9.11 above, our final valuation for TTV shares is **\$0.0174 per share**.
- 9.27 In respect of the TTV options issued under the transaction with an exercise price of \$0.028 per share and an exercise period of three years, our valuation based on the Black-Scholes methodology is **\$0.0032 per option**.

10 ADVANTAGES & DISADVANTAGES OF THE PROPOSAL

Approach to assessing Fairness and Reasonableness

- 10.1 HCC has followed the guidelines of ASIC Regulatory Guide 111 in assessing the fairness and reasonableness of the Transaction. In forming its conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transaction proceeds.

Advantages of the Transaction

- 10.2 The Transaction provides an opportunity for the Company to trade in a developing industry and create share value.
- 10.3 The Transaction provides an opportunity for the Company to access the working capital required to further market the “tab active” television wagering product and develop its interactive television platform for other applications to increase share value.
- 10.4 The industry experience and business relationships brought to the Company by Mr Tan.
- 10.5 The potential for growth of the business arising from this Transaction should provide additional interest from investors and potentially greater liquidity in ASX-listed shares.
- 10.6 Given that the company requires additional working capital to achieve its business objectives, it may have difficulty in meeting these objectives without the subscription of funds in the short and medium term. The Company holds cash reserves as at 30 June 2011 of \$0.235 million, however we note the company had a deficiency in operating cash flows of \$1.032 million in the 2011 financial year. As such, additional funding is required to take advantage of available opportunities.
- 10.7 Currently the company holds no material investments and given its limited capital it will have difficulty in creating significant value using this business model without this Transaction.

Disadvantages of the Transaction

- 10.8 The TTV business is a relatively new business with a limited history and a high level of business risk.
- 10.9 There may be other opportunities TTV will not be able to undertake in the business if it accepts this Transaction due to the controlling interest being obtained by Main Ace.
- 10.10 An opportunity may be lost to obtain a takeover premium for the Company’s shares in the event of a takeover transaction from a third party.
- 10.11 The transaction will result in the dilution of current shareholders ownership percentages.

11 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

Fairness

- 11.1 For the Transaction to be fair, the value of the consideration being paid by Main Ace must be equal to or greater than the value of the TTV ordinary shares and options to be issued to Main Ace.
- 11.2 Based on the analysis contained in this report, the indicative value of the TTV shares and options is as follows:

TWO WAY LIMITED			
Valuation Summary			
	Value	Shares Issued	Total value
Shares ⁽¹⁾	\$0.0174	60 million	\$1.04 million
Options	\$0.0032	30 million	\$0.09 million
			\$1.13 million

⁽¹⁾ inclusive of a 10% premium for control.

- 11.3 The consideration being paid by Main Ace is **\$1.2 million in cash**, where TTV will issue 60 million shares and 30 million options in return. As such, one option will be issued to Main Ace for every two shares acquired. Based on the value attributed to the options issued of \$0.0032 each, the value paid by Main Ace for the purchase of the shares is \$0.0184 per share.
- 11.4 Our valuation of \$0.0174 per share is the value per TTV ordinary share prior to the Transaction on a control basis, inclusive of a 10% premium for control. In order to assess whether the Transaction is fair, we also need to compare the pre-transaction value per share of TTV on a control basis with the post-transaction value per share of TTV on a minority basis. As detailed in section 4, we have valued the TTV shares post-Transaction at \$0.0201 per share, or \$0.0224 on a diluted basis assuming Main Ace exercise all their options at the exercise price of \$0.028 per option.
- 11.5 Therefore, based on a comparison of the value attributed to TTV shares on a control basis pre-Transaction; the consideration being provided by Main Ace; and the value attributed to TTV shares on a minority basis post-Transaction; in our opinion the Transaction is fair.

Reasonableness

- 11.6 For the Transaction to be reasonable, the shareholders must obtain an overall benefit if the Transaction proceeds.
- 11.7 Based upon our evaluation of the fair value of TTV before and after the Transaction takes place, the Non-Associated Shareholders should receive an increase in the fair value of their TTV shares if the Transaction proceeds.

- 11.8 The Transaction will contribute additional funds needed to meet working capital requirements to continue trading its core businesses to assist the growth and development of the TTV business. At the date of this report, there are no alternative transactions available to the Company to raise the necessary capital for its ongoing business.
- 11.9 Accordingly, in our opinion, having considered the advantages of the Transaction and the alternatives of not proceeding with the Transaction, in our opinion the Non-Associated Shareholders of TTV should benefit if the Transaction proceeds and therefore, in our opinion, the Transaction is reasonable.

General

11.10 Attached to this report are the following appendices:

- Appendix I – Details the Sources of Information that were reviewed and relied on in preparing this report;
- Appendix II – Details the Qualifications and experience of HCC and of the persons involved in preparing this report which also contains declarations that form part of, and should be read in conjunction with the report;
- Appendix III - Details the scope of our review of cash flow projections relied on in this report.
- Appendix IV – Financial Services Guide

Yours faithfully
Hall Chadwick Corporate (NSW) Limited



DREW TOWNSEND



DAVID KENNEY

APPENDIX I - SOURCES OF INFORMATION

- Two Way Limited Annual Report for the year ended 30 June 2009;
- Two Way Limited Annual Report for the year ended 30 June 2010;
- Two Way Limited ASX Preliminary Final Report for the year ended 30 June 2011 and accompanying ASX Release dated 31 August 2011;
- Two Way Limited Notice of Annual General Meeting for 2011;
- Two Way Limited Explanatory Memorandum;
- Investment Term Sheet between Two Way Limited and Tujuan Motivasi Sdn Bhd, an associate company of Mr Gerald Tan;
- Financial forecasts of Two Way Limited and underlying assumptions;
- ASIC searches for Two Way Limited and Main Ace Investment Limited;
- Two Way Limited share trading history on the Australian Securities Exchange;
- Regulatory Guide 74 ‘Acquisitions Agreed to by Shareholders’;
- Regulatory Guide 111 ‘Content of Expert Reports’;
- Regulatory Guide 112 ‘Independence of Expert’s Reports’; and
- APES 225 ‘Valuation Services’.

APPENDIX II - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement HCC determined its independence with respect to Two Way and Main Ace with reference to ASIC Regulatory Guide 112 (RG 112) titled “Independence of Expert’s Reports”. HCC considers that it meets the requirements of RG 112 and that it is independent of Two Way and Main Ace.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with either party or person, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend and Mr David Kenney, directors of Hall Chadwick Corporate (NSW) Limited, who are licensed investment advisers and registered company auditors, have prepared this report. Neither they nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of this Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

HCC provided a draft copy of this report to the Directors and management of Two Way for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of HCC alone. Changes made to this report, as a result of the review by the Directors and management of Two Way have not changed the methodology or conclusions reached by HCC.

Reliance on Information

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this report HCC has relied upon information provided on the basis it was reliable and accurate. HCC has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. HCC evaluated the information provided to it by Two Way and Main Ace as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base its report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit in accordance with Australian Auditing Standards (AUS), nor a review in accordance with AUS 902 applicable to review engagements. HCC does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix I of this report.

Two Way has provided an indemnity to HCC for any claims arising out of any mis-statement or omission in any material or information provided by Two Way to HCC in preparation of this report.

Qualifications

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 29, St Martin’s Tower, 31 Market Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients. HCC’s representatives are therefore qualified to provide this report.

Consent and Disclaimers

The preparation of this report has been undertaken at the request of the Directors of Two Way. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose than to accompany the Notice of General Meeting to be sent to Two Way shareholders. In particular, it is not intended that this report should be used for any purpose other than as an expression of HCC’s opinion as to whether or not the Proposed Transaction is fair and reasonable. HCC consent to the issue of this report in the form and context in which it is included in the Notice of General Meeting to be sent to Two Way shareholders.

Shareholders should read all documents issued by Two Way that consider the proposed Transaction in its entirety, prior to proceeding with a decision. HCC had no involvement in the preparation of these documents, with the exception of our report.

This report has been prepared specifically for the non-associated shareholders of Two Way. Neither HCC, nor any member or employee thereof undertakes responsibility to any person, other than an unassociated shareholder of Two Way, in respect of this report, including any errors or omissions howsoever caused. This report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

HCC its officers, representatives, employees and agents disclaim all liability (except for any liability which by law cannot be excluded), for any error, inaccuracy in, or omission from the information contained in the documents, or for any loss or damage suffered by any person directly or indirectly through reliance on this information.

Our procedures and enquiries do not include verification work, nor constitute an audit in accordance with Australian Auditing Standards (AUS), nor do they constitute a review in accordance with AUS 902 applicable to review engagements.

Our opinions are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of the report, our conclusions and opinions may differ from those stated herein. There is no requirement for HCC to update this report for information that may become available subsequent to this date.

APPENDIX III - REVIEW OF FINANCIAL PROJECTIONS

1. We have reviewed the financial forecasts of Two Way for the five years after the issue of new ordinary shares to Main Ace, with the assumptions adopted for the forecasts. The directors of Two Way are responsible for the preparation and presentation of the forecasts and the information contained therein, including the assumptions on which they are based.
2. ASIC Regulatory Guide 170 requires an independent expert to carry out sufficient enquiries or examinations to establish reasonable grounds for believing that any profit forecasts, cashflow forecasts and unaudited profit figures that are used in the experts report, have been prepared on a reasonable basis.
3. We have conducted a review of the forecasts. Our review was limited primarily to enquiries as to the processes used in preparing the forecasts, discussion with management in relation to the assumptions and methodologies used in the forecasts and consideration of the data supporting the assumptions. However, our review was substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. In addition, prospective financial information such as the forecasts may rely on or be impacted by events and actions that have not yet occurred and may not occur. Whilst evidence may be available to support the assumptions on which the forecasts are based, such evidence is generally future orientated & inherently uncertain. Accordingly, actual results may vary from the information presented and such variations may be material.
4. Based on our review of the forecasts for the nine year period from 1 July 2011 to 30 June 2020, and the reasonableness of the assumptions giving rise to the forecasts:
 - (a) nothing has come to our attention which causes us to believe that the assumptions do not provide reasonable grounds for the preparation of the forecasts;
 - (b) nothing has come to our attention which causes us to believe that the forecasts themselves are unreasonable;
 - (c) nothing has come to our attention which causes us to believe that management's best-estimate assumptions do not provide a reasonable basis for the financial forecasts;
 - (d) in our opinion, all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate or hypothetical assumptions; and
 - (e) in our opinion, the forecasts are properly compiled on the basis of the underlying assumptions and presented on a basis consistent with the accounting policies of the Company, Accounting Standards in Australian and other mandatory financial reporting requirements in Australian.

APPENDIX IV - FINANCIAL SERVICES GUIDE

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 29, St Martin’s Tower, 31 Market Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients.

The Corporations Act 2001 requires HCC to provide this Financial Services Guide (“FSG”) in connection with its provision of an independent expert’s report (“Report”) which is included in a document provided to members by the company or other entity for which HCC prepares the Report.

HCC does not accept instructions from retail clients. HCC provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. HCC does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, HCC’s client is the Entity to which it provides the Report. HCC receives its remuneration from the Entity. In respect of the Report for Two Way Limited (“Two Way”) in relation to the previous and proposed issue of new shares to Main Ace Investment Limited (“Main Ace”), HCC will receive a fee for its services on a time cost basis estimated to be \$15,000, excluding GST.

No related body corporate of HCC, or any of the directors or employees of HCC or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

HCC is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission. The following information in relation to the independence of HCC is stated in Appendix II of the Two Way Report:

“Hall Chadwick Corporate (NSW) Limited (“HCC”) has a license to prepare reports under the Corporations Act and its representatives are qualified to provide this report. Prior to accepting this engagement HCC determined its independence with respect to Two Way and Main Ace with reference to ASIC Regulatory Guide 112 (RG 112) titled “Independence of Expert’s Reports”. HCC considers that it meets the requirements of RG 112 and that it is independent of Two Way and Main Ace.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Two Way, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend and Mr David Kenney, directors of Hall Chadwick Corporate (NSW) Limited, have prepared this report. Neither they nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type.

Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.”

HCC has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, membership number 11442.

HCC is only responsible for the Report and this FSG. Complaints or questions about the Explanatory Memorandum should not be directed to HCC who is not responsible for that document. HCC will not respond in any way that might involve any provision of financial product advice to any retail investor.