

ASX RELEASE

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**Share Subscription Agreement and
Proposed Joint Venture with Priority One**

Two Way Limited is pleased to announce that a share subscription agreement has been executed with Priority One Network Group Limited (“PON”).

PON is a public company which is currently seeking a compliance listing on the Australian Securities Exchange. PON plans to offer its advanced global payments system and loyalty reward program to its members worldwide, with merchants able to advertise their products and conduct transactions via IPTV channels.

Under the terms of the agreement, PON has agreed to subscribe for and Two Way has agreed to issue a total of 35,029,614 fully paid ordinary shares (15% of Two Way’s issued capital) to PON, at an agreed price of 4 cents per share. This price represents a premium of 48% to the 30-day VWAP of Two Way shares.

In return, PON will pay to Two Way total consideration of \$1,401,184.30, made up of \$1 million in cash, and a total of 1,337,281 shares in PON. The PON shares are to be issued at 30 cents per share, a price which is supported by the independent valuation report obtained by PON, and is the expected listing price of PON shares on the ASX.

The directors of both companies considered the following key themes as a basis for the share subscription agreement, with specific detail relating to these and other objectives to be communicated to the market upon completion of a subsequent joint venture agreement.

Priority1sports.tv

- Two Way will play a considerable role in establishing the information technology platforms and administering proposed betting services associated with the PON majority controlled global mixed martial arts event, “Battle for the Crown”. Unique in its approach, Battle for the Crown will apply its own set of rules to this multi-disciplined event, giving a competitive advantage against competing martial arts contests.

PON has indicated that to date, the interest received from some of the world’s most respected martial arts practitioners, and the interest in sponsorship partnerships, suggests a significant opportunity for the Battle for the Crown event to attract a large, multinational viewing and betting audience. In addition, reports indicate that as of 2010, cage fighting had become the fastest growing televised sport in the world, with 300 million viewers across 120 countries contributing to an industry wide turnover estimated at US\$5 billion.

Priority1game.tv

- The two companies will also seek to establish a presence in the global online gaming market, with a specific focus on the Indian and Chinese markets.
- PON has an equal partnership agreement with ASX listed GoConnect Ltd (“GCN”). Two Way and PON will also partner with GCN and leverage on the multi-platform IPTV distribution infrastructure and technologies of GCN in distributing an interactive gaming channel to a global IPTV audience. GCN’s strong understanding of the China market and the already established relationships of GCN and PON in China will help to fast track the expansion of the gaming channel into the China market. China is the biggest gaming market in the world with gaming expenditure estimated to total over US\$100 billion per annum. This objective is concurrent with KPMG reports indicating “Gaming platforms are big business for the likes of Microsoft, Sony and Nintendo, and they are driving the value-add prospects for telecom carriers and the new world of Internet Protocol TV (IPTV).”

In negotiating the agreement, the directors of both companies considered the significant commercial synergies that exist between Two Way and PON, and are excited at the commercial and strategic benefits that will arise from pursuing domestic and international sports betting and online gaming opportunities.

For further information:

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ABOUT TWO WAY LIMITED (ASX: TTV)

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

Two Way has developed an award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and Foxtel, which has now been extended to include Racing and Wagering Western Australia (RWWA) and 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

