

ASX RELEASE

12th March 2012

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

Two Way Limited announced on December 15th 2011 that it had entered into a binding share subscription agreement with Priority One Network Group Limited ("PON").

The terms of that agreement were that 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. 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 which is the expected listing price of PON shares on the ASX.

To date Two Way has received \$150,000 in cash, and has been issued with 1,337,281 PON shares.

The deal was to be concluded by the 28th February 2012 with all remaining payments and shares issued, however PON have been unable to fulfil their obligations in short because of a delay in their listing process.

Two Way and PON have agreed new terms which required an immediate payment of \$150,000 in cash by PON which will be in Two Way bank account by Wednesday 14th March 2012, and the balance of \$700,000 in cash on completion of successful listing. No Two Way shares will be issued to PON until all payments are received.

PON has informed Two Way that it currently expects to complete its listing on the ASX by [30 April 2012].

For further information:

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ABOUT TWO WAY LIMITED (ASX: TTV)

Two Way creates, develops and builds advanced interactive media and gambling applications for mobile, internet, TV and IPTV platforms. Our competitive strengths include our specialised expertise, patented technology and library of interactive applications which have been deployed on all devices.

Two Way has developed an award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) taking in New South Wales and Victoria in conjunction with FOXTEL, and seen on Sky Racing 1, Sky Racing 2 and Sky Racing World. This has now been extended to include Racing and Wagering Western Australia (RWWA) and TattsBet Limited (ASX:TTS) covering Queensland & South Australia. 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, utilising the red button on the Foxtel remote providing the latest synchronization 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, Centrebet, IAS Bet, Luxbet, Sportingbet, Betfair, Optus TV, LG, Samsung and Sky New Zealand.

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

