

ASX RELEASE

24 August 2012

**Further Announcement regarding
Heads of Agreement – Donaco Singapore Pte Ltd**

Two Way Limited refers to its announcement made earlier today regarding the signing of a non-binding Heads of Agreement with Donaco Singapore Pte Ltd (“**Donaco**”), for the sale by Donaco of its 75% share in Lao Cai International Hotel in return for Two Way shares (“**the Transaction**”).

For the purposes of clarity, the Company confirms that it will undertake such actions as are required to comply with chapters 1 and 2 of the Listing Rules. This includes undertaking a consolidation of capital, as referred to in the earlier announcement today, to meet the minimum price of 20 cents per share.

Further details on the Transaction will be provided when the binding Merger Implementation Agreement is signed.

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

Information on Donaco and Lao Cai International Hotel

All information relating to Donaco and Lao Cai International Hotel in this announcement has been supplied by Donaco and has not been independently verified by Two Way. Two Way does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Forward-Looking Statements

This announcement contains forward-looking statements concerning Two Way, Donaco and Lao Cai International Hotel. Such forward-looking statements are subject to inherent risks and uncertainties as they may be affected by a variety of variables and risks, including variables and risks which may be outside the control of, or not known to, Two Way or Donaco.

Outcomes, results or future events may differ materially from outcomes, results or future events expressed or implied in any forward-looking statement.

Forward-looking statements in this announcement are based on Two Way's and Donaco's respective beliefs, opinions and estimates as of the dates the forward looking statements are made. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Two Way and its officers and Donaco and its officers), including in relation to any underlying assumption or that any forward-looking statement will be achieved. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX listing rules, Two Way disclaims any obligation or undertaking to provide any updates or revisions to any forward looking statements in this announcement to reflect any change in expectation in relation to any forward looking statements.

