

ASX RELEASE

18 September 2012

Transaction Update

Two Way Limited is pleased to announce the following developments in its relationship with Donaco Singapore Pte Ltd (“**Donaco**”).

Donaco is a Singapore registered company with investments in Singapore, Malaysia, Vietnam, Cambodia, China and Thailand. Donaco is involved in the gaming, entertainment and trading industries.

Under the Heads of Agreement announced to the market on 24 August 2012, Donaco will sell its 75% interest in the Lao Cai International Hotel to Two Way, in return for Two Way shares (“**the Transaction**”).

The purpose of the Transaction is to create a cash-flow positive and profitable ASX-listed entity to pursue gaming and wagering opportunities, particularly in the Asia Pacific region.

Execution of Merger Implementation Deed

The parties have now signed a binding Merger Implementation Deed (“**MID**”), in accordance with the time frame announced on 24 August 2012. A copy of the MID is attached.

New Directors to Join Two Way Board

Two Way is extremely pleased to announce that Mr Lim Keong Yew and Mr Benjamin Lim Keong Hoe have now agreed to join the Board of Two Way. In addition, the Board will be further strengthened by the addition of Mr Mak Siew Wei.

The new Directors have substantial expertise in gaming and wagering businesses, which is expected to be enormously valuable to Two Way and its shareholders.

Finalisation of Capital Raising

As announced to the market on 24 August 2012, Two Way has successfully completed a capital raising by way of a placement to professional and sophisticated investors of 16,666,667 shares at an issue price of 1.5 cents, to raise \$250,000 (“the Placement”). An Appendix 3B relating to the placement is attached.

Timetable for the Transaction

Pursuant to the MID, the parties are continuing to perform their due diligence investigations.

The parties are currently finalising a Share Sale Agreement to deal with the transfer of Donaco's interest in the Lao Cai International Hotel.

The Transaction and the appointments of the new Directors will be proposed for approval by Two Way shareholders at the upcoming Annual General Meeting. Two Way is currently preparing a Notice of Meeting, which will be sent to shareholders together with an independent expert's report on the Transaction.

It is expected that the Notice of Meeting will be sent out in early to mid October, in order for the AGM to be held by mid November. Further details will be announced to the market in due course.

Comments

Chairman of Two Way, Mr Stuart McGregor, said "We are very pleased that Mr Lim Keong Yew, Mr Benjamin Lim Keong Hoe, and Mr Mak Siew Wei have agreed to join the Board as part of our agreement with Donaco. We welcome the expertise of these gentlemen in gaming and wagering businesses, particularly in Asia Pacific. We also welcome the strength that our partnership with Donaco will bring to the Two Way business.."

Executive Director of Donaco, Mr Mak Siew Wei, said "I look forward to extending the business of Two Way with Donaco's Lao Cai Casino. This complements the work of Two Way, and provides important synergies as well as a foundation for significant growth opportunities in the wider Asia Pacific region."

For further information:

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Company Secretary & CFO
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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





Merger Implementation Deed

Donaco Singapore Pte Ltd

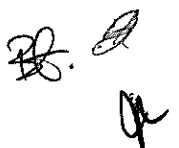
Two Way Limited

(ACN 007 424 777)

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Handwritten initials and signatures in the bottom right corner of the page.

Parties:

1. Donaco Singapore Pte Ltd of 14-2, Jalan 1/109E Desa Business Park, Taman Desa, 58100 Kuala Lumpur (Donaco); and
2. Two Way Limited (ACN 007 424 777) of Suite 2.05 55 Miller Street Pyrmont Sydney NSW 2009 (Two Way).

Recitals:

- A. The Parties have agreed that subject to the satisfaction of certain conditions, Two Way will acquire all of Donaco's interest in Lao Cai (**Lao Cai Interest**), in consideration for the issue of the Consideration Shares to Donaco. Prior to acquiring the Lao Cai Interest, Two Way will also undertake the Option Issue and Consolidation on the terms set out in this Deed.
- B. Two Way intends to propose the Transaction and issue the Two Way Shareholder Booklet.
- C. The Parties have agreed to proceed with the Transaction on the terms of this Deed.

1. Definitions and Interpretation

1.1. Definitions

In this Deed:

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12 of the Corporations Act.

ASX as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.

Business Day means a business day as defined in the Listing Rules.

Competing Proposal any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) may:

- (a) acquire a Relevant Interest in, or have the right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the total number of TTV Shares on issue or the securities of any subsidiary of Two Way;
- (b) acquire Control of Two Way or any subsidiary of Two Way;
- (c) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a material part of the business of the TTV Group;
- (d) otherwise acquire or merge with Two Way or any subsidiary of Two Way; or
- (e) enter into any agreement, arrangement or understanding requiring Two Way to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of takeover bid, scheme of arrangement, share approved acquisition, capital reduction or buy back, sale or purchase of shares, securities or assets, global assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), or other transaction or arrangement.



Condition Precedent each of the conditions set out in Clause 3.1.

Confidentiality Deed means the mutual non-disclosure agreement signed by Donaco and Two Way on or about 13 August 2012.

Consideration Shares is calculated based on an ascribed value of 1.5 cents per TTV Share and is the number of TTV Shares equal to 5,234,485,000 TTV Shares, adjusted to take account the Consolidation, and equal to not less than 94.83% of the total number of TTV Shares on issue as at the Implementation Date.

Consolidation means the consolidation of TTV Shares on the terms to be agreed between the Parties and approved at the TTV General Meeting.

Consolidation Date means the date agreed between the Parties, being the date on which the Consolidation occurs.

Control has the meaning given in section 50AA of the Corporations Act.

Controller has the meaning given in section 9 of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Dispatch Date means the date agreed between the Parties as the date the Two Way Shareholder Booklet is dispatched to the TTV Shareholders.

Donaco Due Diligence Information means material information relating to the business, employees, assets, liabilities, operations, profits and losses, financial position and performance and business prospects of Lao Cai, including:

- (a) the books and records of Lao Cai;
- (b) material agreements;
- (c) the Lao Cai business plan and budgets;
- (d) financial statements and financial forecasts (including sign-offs by external auditors and accountants);
- (e) employment and consultancy agreements; and
- (f) information relating to intellectual property.

Donaco Group means Donaco and each of its Related Bodies Corporate and a reference to a Donaco Group Member or a member of the Donaco Group is to Donaco or any of its Related Bodies Corporate.

Donaco Information means the information regarding Donaco and Lao Cai prepared by Donaco for inclusion in the Two Way Shareholder Booklet in accordance with Clause 6.2(a), being:

- (a) information about each of Donaco and Lao Cai, their Related Bodies Corporate, businesses and interests and dealings in TTV Shares, their intentions for Two Way and Two Way's employees; and
- (b) any other information required under the Corporations Act, the Corporations Regulations and the Listing Rules to enable the Two Way Shareholder Booklet to be prepared that the Parties agree is "Donaco Information" and that is identified in the Two Way Shareholder Booklet as such.

Donaco Representations and Warranties means the representations and warranties set out in Schedule 2.

End Date means four months after the date of this Deed or such other date as is agreed in writing between the Parties.

Exclusivity Period means the period from and including the date of this Deed to the earlier of:

- (a) the termination of this Deed; and
- (b) the End Date.

Fairly Disclosed means disclosed to Donaco or any of its Representatives or professional consultants, to the extent that, and in sufficient detail so as to enable, a reasonable buyer (or one of its Representatives or professional consultants) experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the TTV Group, to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).

Government Agency means any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia, Vietnam or elsewhere, including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.

Implementation Date means the date agreed in writing between the Parties, as the date on which Two Way will issue the Consideration Shares to Donaco, and Donaco will transfer the Lao Cai Interest to Two Way in accordance with Clause 5.4.

Independent Expert means the independent expert in respect of the Transaction appointed by Two Way.

Independent Expert's Report means the report to be issued by the Independent Expert in connection with the Transaction.

Insolvent means a person is insolvent if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other Parties to this Deed);
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), in connection with that person, which could reasonably result in any of (a), (b) or (c) above;
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another Party to this Deed reasonably deduces it is so subject);
- (g) it is otherwise unable to pay its debts when they fall due; or

- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Lao Cai means Lao Cai International Hotel Joint Venture Company (Investment Certificate no. 121022000019 dated 27 February 2009 issued by Lao Cai Provincial People's Committee) of 88 Thuy Hoa Street, Duyn Hai Ward, Lao Cai City, Vietnam.

Lao Cai Interest means all of the ownership rights that Donaco has in Lao Cai as at 5:00 pm on the day before the Implementation Date, being not less than 75% of all the ownership rights in Lao Cai (irrespective of whether these rights are shares or otherwise).

Listing Rules means the official listing rules of the ASX.

Option Issue means the issue of options by Two Way to TTV Shareholders as a part of the Transaction on the terms agreed between the Parties.

Related Bodies Corporate has the meaning given in section 9 of the Corporations Act.

Related Person means:

- (a) a Related Body Corporate of a Party;
- (b) an advisor or consultant of a Party or an advisor or consultant of a Related Body Corporate of that Party; or
- (c) a director, officer or employee of a Party or of any entity referred to in paragraphs (a) or (b) of this definition.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representative means in respect of a Party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that Party or Related Body Corporate.

Superior Proposal means a bona fide Competing Proposal of the kind referred to in any of paragraphs (b), (c) (provided that such Competing Proposal contemplates the acquisition of all or substantially all of the business or assets of the TTV Group) or (d) of the definition of Competing Proposal (and not resulting from a breach by Two Way of its obligations under Clause 9 (it being understood that any actions by a Related Person in violation of Clause 9 shall be deemed to be a breach by Two Way for the purposes of this Deed)) which the Two Way Board, acting in good faith, and after receiving written advice from its external legal or financial adviser(s), determines:

- (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal including any timing considerations and any conditions precedent; and
- (b) would, if completed substantially in accordance with its terms, be more favourable to the TTV Shareholders (as a whole) than the Transaction taking into account all terms and conditions of the Competing Proposal.

Tax Act means the Income Tax Assessment Act 1997 (Cth).

Third Party means a person other than Donaco or Two Way and each of their respective Associates.

Transaction means the Consolidation and the Option Issue and acquisition by Two Way of the Lao Cai Interest in consideration for Two Way issuing the Consideration Shares to Donaco on the terms set out in the proposed share sale between the Parties.

TTV Board means the board of directors of Two Way from time to time.

TTV General Meeting means the meeting of the TTV Shareholders for the purpose of seeking the approvals required by law or Donaco (acting reasonably) to implement the Transaction including, but not limited to, resolutions substantially in the form set out in Schedule 3.

TTV Group means Two Way and each of its Related Bodies Corporate and a reference to a TTV Group Member or a member of the TTV Group is to Two Way or any of its Related Bodies Corporate.

TTV Information means the information regarding the TTV Group prepared by Two Way for inclusion in the Two Way Shareholder Booklet, being all the contents of the Two Way Shareholder Booklet other than the Donaco Information and the Independent Expert's Report.

TTV Meeting Date means the date the TTV General Meeting is convened.

TTV Prescribed Occurrence means the occurrence of any of the following between the date of this Deed and 8.00 am on the Implementation Date:

- (a) a member of the TTV Group disposing, or agreeing to dispose, of any asset or part of the business for consideration equal to or above, or valued at or above, \$50,000;
- (b) a member of the TTV Group entering into a contract or commitment which materially restrains a member of the TTV Group from competing with any person or conducting activities in any material market;
- (c) any member of the TTV Group entering into, terminating or amending in a material manner, any contract or commitment requiring payments by the TTV Group in excess of \$50,000 (individually or in aggregate) over the life of the contract or commitment;
- (d) a member of the TTV Group resolving that it be wound up;
- (e) a liquidator, provisional liquidator or administrator of a member of the TTV Group being appointed;
- (f) the making of an order by a court for the winding up of any member of the TTV Group;
- (g) any member of the TTV Group executing a deed of company arrangement;
- (h) Two Way applying for removal of, or ASX deciding of its own accord to remove, the TTV Shares from quotation on the official list of the ASX;
- (i) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of any member of the TTV Group being appointed.

TTV Share means a fully paid ordinary share in the capital of Two Way.

TTV Shareholder means a person who is registered in the Two Way share register as the holder of TTV Shares.

Two Way Due Diligence Information means all information relating to the business, employees, assets, liabilities, operations, profits and losses, financial position and performance and business prospects of Two Way, including:

- (a) the books and records of Two Way;
- (b) material agreements;
- (c) the Two Way business plan and budget;
- (d) financial statements and financial forecasts (including sign-offs by external auditors and accountants);
- (e) employment and consultancy agreements; and

- (f) information relating to intellectual property.

Two Way Representations and Warranties means the representations and warranties of Two Way set out in Schedule 1.

Two Way Shareholder Booklet means the information described in Clause 6.1(b) and dispatched to the TTV Shareholders and which must include a notice of meeting, an explanatory statement (complying with the requirements of the Corporations Act, the Corporations Regulations and the Listing Rules), an independent expert's report and proxy form.

1.2. Interpretation

In this Deed, headings are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Government Agency;
- (e) a reference to a clause, Party, attachment, exhibit or schedule is a reference to a clause of, and a Party, attachment, exhibit and schedule to this Deed, and a reference to this Deed includes any attachment, exhibit and schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Deed) is to that document as varied, novated, ratified or replaced from time to time;
- (h) the word "includes" in any form is not a word of limitation;
- (i) a reference to "\$", "A\$" or "dollar" is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to the time in Sydney, New South Wales;
- (k) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (m) a term defined in the purposes of the Corporations Act has the same meaning when used in this Deed; and
- (n) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a Party.

1.3. Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4. Next day

If an act under this Deed to be done by a Party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day.

1.5. Contra proferentem excluded

No term or condition of this Deed will be construed adversely to a Party solely on the ground that the Party was responsible for the preparation of this Deed or a provision of it.

2. Agreement to proceed with the Transaction

- (a) Two Way agrees to propose the Transaction on and subject to the terms of this Deed.
- (b) Donaco agrees with Two Way to assist Two Way to propose the Transaction on and subject to the terms of this Deed.
- (c) Two Way and Donaco agree to implement the Transaction on the terms and conditions of this Deed.

3. Conditions Precedent and pre-implementation steps

3.1. Conditions precedent

Subject to this Clause 3, the obligations in Clause 5.3 will not become binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in Clause 3.3:

- (a) **Completion of Donaco due diligence:** Donaco informs Two Way in writing that it is satisfied with its due diligence enquiries in relation to the TTV Group in its absolute discretion before 8.00 am on the Dispatch Date;
- (b) **Donaco board approval:** the directors of Donaco approve the Transaction and each document required to implement the Transaction;
- (c) **TTV Shareholder approval:** at the TTV General Meeting the TTV Shareholders approve the Transaction and pass the resolutions substantially in the form set out in Schedule 3 by the requisite majorities under the Corporations Act;
- (d) **Restraints:** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other legal restraint or prohibition preventing the Transaction is in effect, and no steps have been taken by any court or Government Agency to effect any of the above, in each case as at 8.00 am on the date of the TTV General Meeting and as at 8.00 am on the Implementation Date;
- (e) **Independent Expert:** the Independent Expert issues a report which concludes that the Transaction is in the best interests of the TTV Shareholders and the acquisition by Donaco of a relevant interest greater than 20% in Two Way is fair and reasonable and the Independent Expert does not change its conclusion or withdraw its report prior to 5:00 pm on the day prior to the date of the TTV General Meeting;
- (f) **No TTV Prescribed Occurrence:** no TTV Prescribed Occurrence occurs between the date of this Deed and 8:00 am on the Implementation Date;

- (g) **Third Party Consents:** all Third Party consents including approvals of a Government Agency which are necessary or Donaco and Two Way agree in writing are desirable to implement the Transaction are obtained in a form acceptable to Donaco and Two Way, and those consents, agreements, waivers, licences or approvals are not withdrawn, cancelled or revoked before 8.00 am on the Implementation Date;
- (h) **ASX Listing and Quotation:** ASX confirms that Two Way complied with Listing Rule 1 and Listing Rule 2 (as amended by any ASX waivers) and any conditions imposed by ASX are acceptable to Donaco and Two Way;
- (i) **ASIC modifications and ASX waivers:** before the Dispatch Date Two Way has obtained from ASX and ASIC all waivers from the Listing Rules or relief from the provisions of the Corporations Act that are reasonably necessary for the implementation of the Transaction;
- (j) **Two Way material adverse change:** between the date of this Deed and 8.00 am on the TTV Meeting Date, no event, change, condition, matter or thing occurs or is announced by Two Way on the ASX or becomes known to Donaco which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind:
 - (i) has had or would reasonably be likely to have the effect of a material adverse effect on Two Way or a member of the TTV Group including diminution in the value of the net assets of the TTV Group;
 - (ii) is, or is reasonably likely to be, materially adverse to the ability of Two Way to perform its obligations under this Deed; and
- (k) **Lao Cai material adverse change:** between the date of this Deed and 8.00 am on the TTV Meeting Date, no event, change, condition, matter or thing occurs or becomes known to Two Way which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind:
 - (i) has had or would reasonably be likely to have the effect of a material adverse effect on Lao Cai including diminution in the value of the net assets of Lao Cai;
 - (ii) is, or is reasonably likely to be, materially adverse to the ability of Donaco to perform its obligations under this Deed.

3.2. Reasonable endeavours

The Parties will, to the extent that it is within their power to do so, use their reasonable endeavours to procure that:

- (a) the conditions precedent in Clause 3.1 are satisfied as soon as possible after the date of this Deed, and continue to be satisfied at all times until the last time they are to be satisfied (as the case may be); and
- (b) there is no occurrence within their respective control that would prevent any of the conditions precedent in Clause 3.1 from being satisfied.

3.3. Waiver of conditions precedent

- (a) The conditions precedent in Clauses 3.1(c), 3.1(d), 3.1(h) and 3.1(i), cannot be waived.
- (b) The conditions precedent in Clauses 3.1(a), 3.1(b), 3.1(f) and 3.1(j) are for the benefit of Donaco and any breach or non-fulfilment of it may only be waived by Donaco (in its absolute discretion) by notice in writing to Two Way.
- (c) The condition precedent in Clause 3.1(k) is for the benefit of Two Way and any breach or non-fulfilment of it may only be waived by Two Way (in its absolute discretion) by notice in writing to Donaco.

- (d) The conditions precedent in Clauses 3.1(e) and 3.1(g) are for the benefit of both Parties and any breach or non-fulfilment of it may only be waived by both Parties (in their respective absolute discretion) by notice in writing to the other Party.
- (e) If a Party waives the breach or non-fulfilment of any of the conditions precedent in Clause 3.1, that waiver will not preclude it from suing the other Parties for any breach of this Deed including without limitation a breach that resulted in the non-fulfilment of the condition precedent that was waived.

3.4. Termination on failure of condition precedent

- (a) If any event occurs which would prevent any of the conditions precedent in Clause 3.1 being satisfied, or there is an occurrence that will prevent any of the conditions precedent being satisfied by the time and date specified in this Deed for its satisfaction (**Relevant Occurrence**) or if the Transaction has not completed by the End Date, Donaco and Two Way must consult in good faith to:
 - (i) consider and if agreed determine whether the Transaction may proceed by way of alternative means or methods; or
 - (ii) consider, and if agreed, extend the relevant date or End Date.
- (b) If Donaco and Two Way are unable to reach agreement under Clause 3.4(a) within 10 Business Days of the date of a notice of Relevant Occurrence given in accordance with Clause 3.5(a) or by the End Date, then Donaco may terminate this Deed by notice in writing to the other Parties.
- (c) Subject to Clause 10 and any other rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of Clause 10.3), on termination of this Deed, no Party shall have any rights against or obligations to any other Party under this Deed except for those rights and obligations which accrued prior to termination.

3.5. Certain notices

- (a) A Party with knowledge of a Relevant Occurrence must as soon as reasonably practicable give the other Parties written notice of the Relevant Occurrence.
- (b) Each Party must promptly advise each other orally and in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
 - (i) a representation or warranty provided in this Deed by a relevant Party to be false;
 - (ii) a breach or non-fulfilment of any of the conditions precedent;
 - (iii) in the case of Two Way, the occurrence of a TTV Prescribed Occurrence; or
 - (iv) a material breach of this Deed by the relevant Party.
- (c) Two Way and Donaco (as the case may be) must promptly notify the other of the satisfaction of a condition precedent.

4. Due Diligence

4.1. Access to Donaco records and personnel

- (a) For the purposes of reviewing the Donaco Due Diligence Information and determining the status of the Conditions Precedent, during the Exclusivity Period, Donaco must provide Two Way with access to:

- (i) the Donaco Due Diligence Information; and
- (ii) Donaco's and Lao Cai's employees, senior management, board members, external auditors, accountants and other advisers and representatives,

subject to any existing confidentiality obligations owed to third parties or applicable privacy laws.

- (b) Where the Donaco Due Diligence Information is subject to confidentiality obligations owed to a third party, Donaco will use its best endeavours to obtain the consent of that third party to provide the Donaco Due Diligence Information to Two Way.

4.2. Access to Two Way records and personnel

- (a) For the purposes of reviewing the Two Way Due Diligence Information and determining the status of the Conditions Precedent, during the Exclusivity Period, Two Way must provide Donaco with access to:

- (i) the Two Way Due Diligence Information; and
- (ii) Two Way's employees, senior management, board members, external auditors, accountants and other advisers and representatives,

subject to any existing confidentiality obligations owed to third parties or applicable privacy laws.

- (b) Where the Two Way Due Diligence Information is subject to confidentiality obligations owed to a third party, Two Way will use its best endeavours to obtain the consent of that third party to provide the Two Way Due Diligence Information to Donaco.

5. Implementation of Transaction

5.1. Necessary Steps

The Parties must take all necessary steps to implement the Transaction as soon as is reasonably practicable.

5.2. Option Issue

Prior to the Consolidation Date (or as otherwise agreed between the Parties), Two Way will issue the Options to the TTV Shareholders, make all ASX announcements and lodge all ASX/ASIC documents (on terms previously agreed between the Parties) necessitated by the Option Issue.

5.3. Consolidation Implementation

On the Consolidation Date, Two Way will procure the implementation of the Consolidation and make all ASX announcements and lodge all ASIC documents (on terms previously agreed between the Parties) necessitated by the Consolidation.

5.4. Implementation Date

- (a) Subject to Clause 3.1, on the Implementation Date:
 - (i) Donaco will procure registration of the transfer of the Lao Cai Interest to Two Way;
 - (ii) Two Way:
 - (A) will issue the Consideration Shares to Donaco; and

- (B) procure the issue of a holding statement in respect of the Consideration Shares to Donaco; and
 - (C) apply for official quotation of the Consideration Shares in accordance with the Listing Rules by lodging an Appendix 3B with ASX.
- (b) Two Way will issue a notice that complies with Section 708A(6) of the Corporations Act as soon as practicable after Implementation Date and in any event within 5 Business Days after Implementation Date.

6. Transaction steps and obligations

6.1. Two Way's obligations

Two Way must take all necessary steps to complete the Transaction as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Transaction is completed by the relevant date agreed between the Parties (and must consult with Donaco on a regular basis about its progress in that regard) and must do each of the following:

- (a) **binding agreement:** Two Way will execute a binding subscription and sale agreement in relation to the Transaction and in particular setting out the terms on which Two Way will issue the Consideration Shares and acquire Lao Cai Interests;
- (b) **preparation of Two Way Shareholder Booklet:** subject to Clause 6.1(h), prepare and despatch the Two Way Shareholder Booklet in accordance with all applicable laws and in particular with the Corporations Act, the Corporations Regulations and the Listing Rules;
- (c) **Further Two Way Information:** disclose to Donaco and the TTV Shareholders such further or new TTV Information as may arise after the Two Way Shareholder Booklet has been sent to the TTV Shareholders until the date of the TTV General Meeting as may be necessary to ensure that the TTV Information contained in the Two Way Shareholder Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission);
- (d) **Two Way Board's recommendation and intentions:** include in the Two Way Shareholder Booklet and the public announcement contemplated by Clause 8.1, a recommendation in accordance with Clause 6.4;
- (e) **Send Two Way Shareholder Booklet:** send the Two Way Shareholder Booklet to the TTV Shareholders as soon as practicable after receipt of confirmation from ASX that ASX has no comments on the Two Way Shareholder Booklet;
- (f) **TTV General Meeting:** convene the TTV General Meeting to approve the Transaction;
- (g) **Issue:** issue the Options in accordance with Clause 0 on the Implementation Date issue the Consideration Shares to Donaco and, in relation to both the Option Issue and the Consideration Shares, release all associated documents required by the Listing Rules and the Corporations Act in relation to the issued securities;
- (h) **consultation with Donaco:** consult with Donaco as to the content and presentation of the Two Way Shareholder Booklet including:
 - (i) providing to Donaco drafts of the Two Way Shareholder Booklet for the purpose of enabling Donaco to review and comment on those drafts;
 - (ii) taking all comments made by Donaco into account in good faith when producing a revised draft of the Two Way Shareholder Booklet; and

- (iii) implement such changes to those parts of the Two Way Shareholder Booklet relating to Donaco and the Lao Cai Interest which are provided in accordance with Clauses 6.1(h)(i) to 6.1(h)(ii) as reasonably requested by Donaco.
- (i) **Independent Expert:** promptly appoint the Independent Expert and provide assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Two Way Shareholder Booklet;
- (j) **Provide a copy of the report:** promptly provide Donaco with a copy of any draft and final report received from the Independent Expert;
- (k) **compliance with laws:** do everything reasonably within its power to ensure that the tasks or obligations required to be performed by Two Way in relation to the Transaction are effected in accordance with all laws and regulations applicable in relation to the Transaction;
- (l) **listing:** to take all reasonable steps to maintain Two Way's listing on the ASX and as soon as possible after the date of this Deed provide the necessary documents to the ASX to demonstrate compliance with the rules for admission to the official list of ASX and for quotation of TTV Shares; and
- (m) **information:** prepare and promptly provide to Donaco any information regarding the TTV Group that Donaco reasonably requires for the purpose of the Transaction.

6.2. Donaco's obligations

Donaco must take all necessary steps to implement the Transaction as soon as is reasonably practicable and without limiting the foregoing use reasonable endeavours to ensure that each step in the Transaction is completed on the date agreed between the Parties (and consult with Two Way on a regular basis about its progress in that regard), including doing each of the following:

- (a) **binding agreement:** Donaco will execute a binding subscription and sale agreement in relation to the Transaction and in particular setting out the terms on which Donaco will be issued the Consideration Shares and dispose of the Lao Cai Interests;
- (b) **Donaco Information:** prepare and promptly provide to Two Way the Donaco Information for inclusion in the Two Way Shareholder Booklet and consent to the inclusion of that information in the Two Way Shareholder Booklet;
- (c) **Further Donaco Information:** disclose to Two Way such further or new Donaco Information as may arise after the Two Way Shareholder Booklet has been sent until the date of the TTV General Meeting as may be necessary to ensure that the Donaco Information contained in the Two Way Shareholder Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission);
- (d) **Independent Expert's Report:** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report to be included in the Two Way Shareholder Booklet;
- (e) **Share transfer:** on the Implementation Date procure that Lao Cai registers the transfer of the Lao Cai Interest to Two Way; and
- (f) **compliance with laws:** do everything reasonably within its power to ensure that the tasks or obligations required to be performed by it in relation to the Transaction are effected in accordance with all laws and regulations applicable in relation to the Transaction.

6.3. Conduct of business

- (a) Subject to Clauses 6.3(b) and 6.3(d), from the date of this Deed up to and including the Implementation Date, and without limiting any other obligations of Two Way under this Deed, Two Way must and must procure that the members of the TTV Group conducts its business in the ordinary and proper course of business and in substantially the same manner and at the same locations as conducted in the 12 month period prior to the date of this Deed.
- (b) Nothing in Clause 6.3(a) restricts the ability of the Two Way or any member of the TTV Group to take any action (or refrain from taking action):
 - (i) required to be done in order to implement the Transaction; or
 - (ii) which took place with the prior written consent of Donaco.
- (c) Without limiting Clause 6.4(a), from the date of this Deed up to and including the Implementation Date, Two Way must notify Donaco (together with reasonable details) as soon as practicable after it becomes aware of the termination or potential termination of a material contract.
- (d) For the avoidance of doubt, nothing in this Clause 6.3 restricts the ability of Two Way to respond to a Competing Proposal in accordance with Clause 9.

6.4. TTV Board recommendation

- (a) Subject to Clause 6.4(c), Two Way must procure that the TTV Board unanimously recommends that the TTV Shareholders vote in favour of the Transaction in the absence of a Superior Proposal and provided the Independent Expert concluded in the Independent Expert's Report that the Transaction is in the best interests of the TTV Shareholders.
- (b) Subject to Clause 6.4(c), Two Way must procure that each member of the TTV Board makes a public statement that he intends to vote Shares he Controls in favour of the Transaction in the absence of a Superior Proposal and provided the Independent Expert concluded in the Independent Expert's Report that the Transaction is in the best interests of the TTV Shareholders.
- (c) Two Way must procure that the TTV Board collectively, and each member of the TTV Board individually, must not change, withdraw or modify, their recommendation in favour of the Transaction unless either:
 - (i) the Independent Expert concludes in the Independent Expert's Report (either initially or in any updated report) that the Transaction is not in the best interests of the TTV Shareholders; or
 - (ii) Two Way has received, other than as a result of a breach of Clause 9, a Superior Proposal.

6.5. Acknowledgement

Notwithstanding any provision of this Deed, Two Way acknowledges that Lao Cai is entitled to declare a dividend of up to USD1.5 million at any time prior to the Implementation Date.

7. Representations and warranties

7.1. Donaco representations

Donaco represents and warrants to Two Way that each of the Donaco Representations and Warranties is true and correct in all material respects, provided that, in respect of any Donaco

Representations and Warranties that are, by their terms, qualified by materiality, those Donaco Representations and Warranties are represented and warranted to be true and correct.

7.2. Two Way's representations

Two Way represents and warrants to Donaco that each of the Two Way Representations and Warranties is true and correct in all material respects, provided that, in respect of any Two Way Representations and Warranties that are, by their terms, qualified by materiality, those Two Way Representations and Warranties are represented and warranted to be true and correct.

7.3. Survival of representations

Each representation and warranty referred to in Clause 7.1 and Clause 7.2:

- (a) is severable; and
- (b) survives the termination of this Deed.

7.4. Timing of warranties

Each representation and warranty made or given under Clause 7.1 or Clause 7.2 is given:

- (a) at the date of this Deed, on the Dispatch Date, on the TTV Meeting Date and again at 8.00 am on the Implementation Date; or
- (b) where expressed to be given at a particular time, at that time.

8. Public announcement

8.1. Announcement of transaction

Immediately after the execution of this Deed, the Parties must issue the public announcement in a form previously agreed to in writing between them.

8.2. Public announcements

Subject to Clause 8.3, no public announcement or disclosure regarding the Transaction may be made other than in a form approved by each of the Parties (acting reasonably), but each of them must use all reasonable endeavours to provide such approval as soon as practicable.

8.3. Required disclosure

Where a Party is required by applicable law or the Listing Rules to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this Deed or the Transaction, it must use reasonable endeavours, to the extent practicable and lawful to consult with the other Parties prior to making the relevant disclosure.

9. No-talk and no-shop obligations

9.1. Prohibition - no shop and no talk arrangements

During the Exclusivity Period, Two Way must not, and must ensure that each of the Related Persons does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate (including by the provision of non-public information) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or

- (b) communicate to any person an intention to do anything referred to in Clause 9.1(a); or
- (c) subject to Clause 9.4:
 - (i) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make or which would reasonably be expected to encourage or lead to the making of an actual, proposed or potential Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (iii) disclose any non-public information about the business or affairs of Donaco or its subsidiaries to a Third Party (other than a Government Agency) with a view to obtaining or which would reasonably be expected to encourage or lead to receipt of an actual, proposed or potential Competing Proposal; or
 - (iv) communicate to any person an intention to do anything referred to in this Clause 9.1(b).

9.2. Notification of approaches

During the Exclusivity Period, subject to Clause 9.4, Two Way must notify Donaco in writing within 2 Business Days of becoming aware of any of the matters set out below, if it, or any of its Related Persons or any of their Representatives becomes aware of any:

- (a) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any expression of interest, offer or proposal of a kind referred to in Clause 9.1 including details of the identity of the Party making the expression of interest, offer or proposal, their terms (including price and conditions) and any material updates to the expression of interest, offer or proposal;
- (b) proposal whether written or otherwise made to Two Way or any of its Related Persons, in connection with, or in respect of any exploration or consummation of, a Competing Proposal or a proposed or potential Competing Proposal, whether unsolicited or otherwise, including details of the Party making the proposal, the terms of the proposal and any material updates to the proposal; and
- (c) provision by Two Way or any of its Related Persons of any information relating to Two Way or its business or operations to any person in connection with or for the purposes of a current or future Competing Proposal.

9.3. Matching Right

- (a) During the Exclusivity Period, Two Way must not enter into any legally binding agreement to undertake a Competing Proposal and must use its best endeavours to procure that none of its directors publicly recommend a Competing Proposal unless:
 - (i) the TTV Board acting in good faith and in order to satisfy what the TTV Board considers to be its fiduciary duties (having received written advice from its external legal or financial advisers) determines that the Competing Proposal is a Superior Proposal;
 - (ii) Two Way has provided Donaco with the material terms and conditions of the Competing Proposal (including price and the identity of the person that has proposed the Competing Proposal); and

- (iii) Donaco has not, within 10 Business Days of the notification under Clause 9.3(a)(ii), submitted a written proposal to Two Way (including a proposed variation to the terms of the Transaction or any other transaction) (**Revised Proposal**) which is on terms no less favourable than the Competing Proposal (taking into account, without limitation, the price, form and certainty of consideration to be provided under the Revised Proposal).
- (b) If the Revised Proposal is on terms no less favourable than the Competing Proposal (taking into account, without limitation, the price, form and certainty of consideration to be provided under the Revised Proposal), Two Way must, in the absence of receipt of a more favourable proposal, proceed to exclusively implement the Revised Proposal and not proceed with the Competing Proposal.
- (c) Any amendment or modification of a Competing Proposal proposed by a third Party that results in TTV Board determining that the amended or modified Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal will be deemed to be a new Competing Proposal so that the provisions of this Clause 9 will require notification by Two Way to Donaco of the terms of the amended Competing Proposal and the right of Two Way to match such amended Competing Proposal but on the basis that Two Way will have 2 Business Days to submit a revised proposal.

9.4. Fiduciary exception to no talk and notification arrangements

Clauses 9.1 and 9.2 do not prohibit any action or inaction by Two Way or any Related Persons in relation to an actual, proposed or potential Competing Proposal if compliance with that clause would, in the opinion of the TTV Board, formed in good faith (having received written advice from its external legal or financial adviser), constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of Clause 9.1(a).

9.5. Compliance with law

- (a) If it is finally determined by a Court, or the Takeovers Panel, that the agreement by Two Way under this Clause 9 or any part of it:
 - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the TTV Board;
 - (ii) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be, unlawful for any other reason,
 then, to that extent (and only to that extent) Two Way will not be obliged to comply with that provision of this Clause 9.

- (b) The Parties must not make or cause or permit to be made, any application to a Court or the Takeovers Panel for or in relation to a determination referred to in Clause 9.5.

9.6. Legal advice

Two Way and Donaco acknowledge that they each have received legal advice on this Deed and the operation of this Clause 9.

10. Termination

10.1. Termination

- (a) Without prejudice to any other rights of termination under this Deed, Two Way may terminate this Deed by written notice to Donaco at any time before 8.00 am on the TTV Meeting Date:
- (i) if Donaco has materially breached any provision of this Deed and the relevant circumstances continue to exist for a period of 10 Business Days (or any shorter period ending at 5.00 pm on the day before the TTV Meeting Date) after the date on which Two Way first notified Donaco of the breach;
 - (ii) if either Donaco or Lao Cai is or becomes Insolvent; or
 - (iii) if the TTV Board or a majority of the members of the TTV Board has changed, withdrawn or modified its recommendation of the Transaction as permitted under Clause 6.4.
- (b) Without prejudice to any other rights of termination under this Deed, Donaco may terminate this Deed by written notice to Donaco at any time before 8.00 am on the Implementation Date:
- (i) if Two Way has materially breached any provision of this Deed and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 5.00 pm on the day before the Implementation Date) after the date on which Donaco first notified Two Way of the breach;
 - (ii) if the TTV Board or a majority of the members of the TTV Board has changed, withdrawn or modified its recommendation of the Transaction or recommends a Competing Proposal in each case as permitted under Clause 6.4;
 - (iii) a member of the TTV Board has changed, withdrawn or modified its recommendation of the Transaction or recommended a Competing Proposal in a manner not permitted under Clause 6.4; or
 - (iv) if a TTV Group Member is or becomes Insolvent.

10.2. Effect of termination

If this Deed is terminated by either Donaco or Two Way under Clauses 3.4(b) or 10.1, except to the extent that the termination results from a breach by either such Party of its obligations under this Deed, this Deed will become void and have no further force or effect, without any liability or obligation on the part of any Party, other than in relation to rights and obligations that accrued prior to termination and other than in relation to the provisions of this Clause 10 and of Clauses 1, 7.3 to 7.4, 10, 12, 13.2, 13.4, 13.6 and 13.7, which will remain in force after termination.

10.3. Termination

Where Donaco or Two Way has a right to terminate this Deed, that right for all purposes will be validly exercised only if Donaco or Two Way (as the case may be) delivers a notice in writing to Two Way and Donaco (as the case may be) stating that it terminates this Deed and the provision under which it is terminating the Deed.

10.4. Terminable in writing

This Deed is terminable if agreed to in writing by Two Way and Donaco.

11. Duty, costs and expenses

11.1. Stamp duty

Donaco must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this Deed or the Transaction or the steps to be taken under this Deed or the Transaction.

11.2. Costs and expenses

Except as otherwise provided in this Deed, each Party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Deed and the proposed, attempted or actual implementation of this Deed and the Transaction.

12. GST

- (a) Any consideration or amount payable under this Deed, including any non-monetary consideration (as reduced in accordance with Clause 12(e) if required) (Consideration) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this Deed, an additional amount (Additional Amount) is payable by the Party providing consideration for the Supply (Recipient) equal to the amount of GST payable on that Supply as calculated by the Party making the Supply (Supplier) in accordance with the GST Law.
- (c) The Additional Amount payable under Clause 12(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under Clause 12(b):
 - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this Deed:
 - (i) if an amount payable under or in connection with this Deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a Party, whether by way of cost, expense, outlay, disbursement or otherwise (Amount Incurred), the amount payable must be reduced by the amount of any Input Tax Credit to which that Party is entitled in respect of that Amount Incurred; and

- (ii) no Additional Amount is payable under Clause 12(b) in respect of a Supply to which s 84-5 of the GST Law applies.
- (f) Any reference in this Clause 12 to an Input Tax Credit to which a Party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that Party but to which the Representative Member of a GST Group of which the Party is a member is entitled.
- (g) Any term starting with a capital letter in this Clause 12 that is not defined in this Deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

13. General

13.1. No representation or reliance

- (a) Each Party acknowledges that no Party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for representations or inducements expressly set out in this Deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this Deed, the circumstances surrounding the Parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each Party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other Party, except for any representation or inducement expressly set out in this Deed.
- (c) Each Party acknowledges and confirms that Clause 13.1(a) and Clause 13.1(b) do not prejudice any rights a Party may have in relation to information which has been filed by a Party with ASIC or ASX.

13.2. No merger

The rights and obligations of the Parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

13.3. Consents

Any consent referred to in, or required under, this Deed from any Party may be given in that Party's absolute discretion (even if unreasonably withheld), unless this Deed expressly provides for that consent to not be unreasonably withheld.

13.4. Notices

A notice or other communication including, but not limited to, a request, demand, consent or approval, to or by a Party to this Deed:

- (a) must be in legible writing and in English;
- (b) may be delivered personally to the addressee, or left or sent by prepaid post to the addressee's address, or faxed to the addressee's fax number, given below:
 - (i) if to Two Way:

Address: Suite 2.05, 55 Miller Street, Pyrmont, NSW, Australia, 2009
Attention: Stuart McGregor
Fax: 02 9017 7001

With a copy to the Company Secretary

Address: Suite 2.05, 55 Miller Street, Pyrmont, NSW, Australia, 2009
Attention: Rointon Nugara
Fax: 02 9017 7001

(ii) if to Donaco

Address: 14-2, Jalan 1/190E Desa Business Park,
Taman Desa 58100 Kuala Lumpur
Attention: Mak Siew Wei
Fax: 603 7984 0291

With a copy to Watson Mangioni:

Address: Level 13, 50 Carrington Street, Sydney NSW 2000
Attention: Michael Beaumont / Saxon Naulls-Johnstone
Fax: (02) 9262 2626

or as specified to the sender by the other Party by notice;

- (c) must, if the sender is a company, be signed by an authorised signatory or legal adviser;
- (d) is regarded as being given by the sender and received by the addressee if delivered in person, when delivered to the addressee but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time), it is regarded as received at 9.00 am on the next Business Day; and
- (e) if sent by prepaid ordinary post (airmail if appropriate), is regarded as being sent by the sender and received by the addressee when sent by the sender to the addressee's address set out in Clause 13.4(b) three days after posting (or seven days after posting if sent from one country to another) but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time), it is regarded as received at 9.00 am on the next Business Day.

13.5. Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other Party notice) may be served on any Party by being delivered to or left for that Party at its address for service of notices under Clause 13.4.

13.6. Governing law and jurisdiction

- (a) This Deed is governed by the laws of New South Wales, Australia.
- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

13.7. Waivers

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by any Party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by any Party under this Deed is only effective and binding on that Party if it is given or confirmed in writing by that Party.
- (c) No waiver of a breach of any term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

Handwritten initials and signature in the bottom right corner of the page.

13.8. Variation

This Deed may only be varied by a document signed by or on behalf of each of the Parties.

13.9. Assignment

A Party may not assign, novate or otherwise transfer any of its rights or obligations under this Deed without the prior written consent of the other Parties.

13.10. Default in Payment

If a Party (**obligor**) does not pay to another Party (**obligee**) an amount due from the obligor to the obligee under this Deed, the obligee may, without limiting any other remedy, require the obligor to pay interest on that amount at the 90 day dealers bill rate published in the Australian Financial Review each day plus 4% per annum calculated daily, which interest accrues from day to day from and including the due date for payment up to and including the actual date of payment.

13.11. Acknowledgement

Each Party acknowledges that the remedy of damages may be inadequate to protect the interests of the Parties for a breach of any provision of this Deed and that:

- (a) Donaco is entitled to seek and obtain without limitation injunctive relief if Two Way breaches any provision of this Deed; and
- (b) Two Way is entitled to seek and obtain without limitation injunctive relief if Donaco breaches any provision of this Deed.

13.12. No third Party beneficiary

This Deed shall be binding on and inure solely to the benefit of each Party to it and each of their respective permitted successors and assigns, and nothing in this Deed, express or implied, is intended to or shall confer on any other person to the extent set forth in Clause 7, any Third Party beneficiary rights.

13.13. Further action

Each Party will do all things and execute all further documents necessary to give full effect to this Deed.

13.14. Entire agreement

This Deed supersedes all previous agreements (excluding the Confidentiality Deed which remains in full force and effect), understandings, negotiations or deeds in respect of its subject matter and embodies the entire agreement between the Parties.

13.15. Counterparts

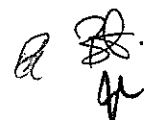
- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A Party may execute this Deed by signing any counterpart.

Schedule 1

Two Way Representations and Warranties

Two Way represents and warrants to Donaco that:

- 1.1 **Information in Two Way Shareholder Booklet:** the information contained in the Two Way Shareholder Booklet (other than the Donaco Information and the Independent Expert's Report):
 - (a) will be prepared and included in the Two Way Shareholder Booklet in good faith; and
 - (b) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, Listing Rules and relevant ASIC regulatory guides;
- 1.2 **Information provided to the Independent Expert:** all information provided by Two Way to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing its report for inclusion in the Two Way Shareholder Booklet;
- 1.3 **Two Way Shareholder Booklet:** no information (other than the Donaco Information and the Independent Expert's Report) contained in the Two Way Shareholder Booklet, as at the date of the Two Way Shareholder Booklet, will contain any statement which is materially misleading or deceptive, including by way of omission from that statement;
- 1.4 **New information:** it will, as a continuing obligation, ensure that the Two Way Shareholder Booklet (but in respect of the Donaco Information, subject to Donaco complying with its obligations to update the Donaco Information) will be updated by all further or new information which may arise after the date of the Two Way Shareholder Booklet until the TTV General Meeting which is necessary to ensure that the Two Way Shareholder Booklet is not misleading or deceptive in any material respect (including because of any material omission) and will provide Donaco with all such information;
- 1.5 **Validly existing:** it and each member of the TTV Group is a validly existing corporation registered under the laws of its place of incorporation;
- 1.6 **Authority:** the execution and delivery of this Deed has been properly authorised by all necessary corporate action of Two Way;
- 1.7 **Power:** Two Way has full corporate power and lawful authority to execute and deliver this Deed and to consummate and perform or cause to be performed its obligations under this Deed in accordance with its terms;
- 1.8 **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this Deed constitutes legal, valid and binding obligations on it;
- 1.9 **No default:** this Deed does not conflict with or result in the breach of or default under any provision of Two Way's constitution or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it is bound;
- 1.10 **Compliance:** each member of the TTV Group has complied in all material respects with all laws and regulations applicable to them and orders of Governmental Agencies having jurisdiction over them; and
- 1.11 **No default:** except as disclosed to Donaco in writing, no member of the TTV Group is in default under any material document, agreement or instrument binding on it nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default prepayment event or similar event, or give another party thereto a termination right or right to accelerate any right or obligation, under any such material document or agreement with such an effect.



Schedule 2

Donaco Representations and Warranties

Donaco represents and warrants to Two Way:

- 1.1 **Donaco Information:** the Donaco Information:
 - (a) will be prepared and included in the Two Way Shareholder Booklet in good faith; and
 - (b) will comply in all material respects with the requirements of the Corporations Act, Corporations Regulations, Listing Rules and relevant ASIC regulatory guides;
- 1.2 **Information provided to the Independent Expert:** all information provided by Donaco to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purposes of preparing its report for inclusion in the Two Way Shareholder Booklet;
- 1.3 **Two Way Shareholder Booklet:** the information on Donaco provided for inclusion in the Two Way Shareholder Booklet as at the date of the Two Way Shareholder Booklet, will not contain any statement which is materially misleading or deceptive including by way of omission from that statement;
- 1.4 **New information:** it will, as a continuing obligation, provide to Two Way all further or new information which arises after the date of the Two Way Shareholder Booklet until the TTV Meeting Date which is necessary to ensure that the information on Donaco is not misleading or deceptive in any material respect (including because of any material omission);
- 1.5 **Validly existing:** it and each member of the Donaco group is a validly existing corporation registered under the laws of its place of incorporation;
- 1.6 **Authority:** the execution and delivery of this Deed has been properly authorised by all necessary corporate action of Donaco;
- 1.7 **Power:** Donaco has full corporate power and lawful authority to execute, deliver and perform this Deed and to consummate and perform or cause to be performed its obligations under this Deed in accordance with its terms;
- 1.8 **Binding obligations:** (subject to laws generally affecting creditors' rights and the principles of equity) this Deed constitutes legal, valid and binding obligations on Donaco;
- 1.9 **No default:** this Deed does not conflict with or result in the breach of or a default under any provision of Donaco's constitution or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which Donaco is bound;
- 1.10 **Compliance:** Lao Cai has complied in all material respects with all laws and regulations applicable to it and all requirements of Government Agencies having jurisdiction over it;
- 1.11 **No breach:** the transfer of the Lao Cai Interest and the implementation of the Transaction will comply with all laws and regulations applicable to Donaco and Lao Cai and all requirements of Government Agencies having jurisdiction over either of them; and
- 1.12 **No default:** except as disclosed to Two Way in writing, no member of the Donaco Group is in default under any material document, agreement or instrument binding on it nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default prepayment event or similar event, or give another party thereto a termination right or right to accelerate any right or obligation, under any such material document or agreement with such an effect.



Schedule 3

TTV Shareholder approvals

1. Consolidation

"That, conditional on the passage of Resolutions 2-7 (inclusive), the Consolidation be approved."

2. Listing Rule 10.1 and 11.1 - Acquisition of the Lao Cai Interest

"That, conditional on the passage of Resolutions [insert], the acquisition by the Company of the Lao Cai Interest from Donaco Singapore Pte Ltd in consideration for the issue of the Consideration Shares on the terms set out in the Two Way Shareholder Booklet is authorised and approved."

3. Section 611 item 7 Resolution – Relevant interest

"That, conditional on the passage of Resolutions [insert] and for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth), and as outlined in the Two Way Shareholder Booklet accompanying this notice of general meeting, approval is given for the issue of 5,234,485 ordinary shares in Two Way to Donaco Singapore Pte Ltd.

4. Appointment of Benjamin Lim Keong Hoe as director

"That, conditional on the passage of Resolutions [insert], Benjamin Lim Keong Hoe be elected as a Director of the Company with effect from completion of the Transaction."

5. Appointment of Ong Chong Hock as director

"That, conditional on the passage of Resolutions [insert], Ong Chong Hock be elected as a Director of the Company with effect from completion of the Transaction."

6. Appointment of Lim Keong Yew as director

"That, conditional on the passage of Resolutions [insert], Lim Keong Yew be elected as a Director of the Company with effect from completion of the Transaction."

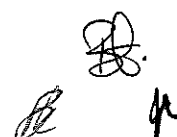
7. Appointment of Mak Siew Wei as director

"That, conditional on the passage of Resolutions [insert], Mak Sien Wei be elected as a Director of the Company with effect from completion of the Transaction."

Resolution 8 will be put to the TTV Shareholders only if required by Donaco.


8. Change of Company name

"That, the name of the Company be changed from Two Way Limited to [name elected by Donaco]."



Executed by the Parties as a Deed:

SIGNED by)
Donaco Singapore Pte Ltd)
in accordance with section 127 of the)
Corporations Act:)



Director/Secretary

LIM KEONG YEW

Name (please print)




Director

BENJAMIN LIM KEONG HOE.

Name (please print)

SIGNED by)
Two Way Limited (ACN 007 424 777))
in accordance with section 127 of the)
Corporations Act:)



Director/Secretary

STUART J. MCGREGOR

Name (please print)



Director

Ben Reichel

Name (please print)

Appendix 3B

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

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

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Two Way Limited

ABN

28 007 424 777

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 16,666,667 fully paid ordinary shares. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | New ordinary shares ranking equally with existing class of quoted ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>Shares \$0.015 (1.5 cents)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Fund working capital.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	

+ See chapter 19 for defined terms.

6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)					
6f	Number of securities issued under an exception in rule 7.2					
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.					
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements					
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	18 September 2012				
8	Number and *class of all *securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">*Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">285,197,427</td> <td style="vertical-align: top;">Ordinary fully paid shares (TTV)</td> </tr> </tbody> </table>	Number	*Class	285,197,427	Ordinary fully paid shares (TTV)
Number	*Class					
285,197,427	Ordinary fully paid shares (TTV)					

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	942,840	Fully vested, unexpired Options (Series B options of 2008 Employee Options Plan).
	16,250,000	Fully vested, unexpired Options (issued to Main Ace Investment Limited in accordance with the Subscription Agreement dated 20 October 2011).
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Unchanged from that set out in the Company's IPO prospectus dated 19 November 2004.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has *security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	
25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- their entitlements *in full* through a broker?
- 31 How do *security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do *security holders dispose of their entitlements (except by sale through a broker)?
- 33 *Despatch date

Part 3 - Quotation of securities

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

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders
- 36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional *securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which *quotation is sought					
39	Class of *securities for which quotation is sought					
40	<p>Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and *class of all *securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">*Class</th> </tr> </thead> <tbody> <tr> <td style="height: 50px;"></td> <td></td> </tr> </tbody> </table>	Number	*Class		
Number	*Class					

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Company secretary)

Date: 18/09/12

Print name: ROINTON NUGARA

+ See chapter 19 for defined terms.