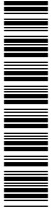


**Two Way Limited**  
ABN 28 007 424 777

000001 000 TTV  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**All correspondence to:**  
Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000  
Facsimile 61 3 9473 2500  
web.queries@computershare.com.au  
www.computershare.com



Dear Shareholder

It is my pleasure to invite you to the 2007 Annual General Meeting of Two Way Limited.

The meeting will be held at 11:30am (Melbourne time) on Thursday, 1 November 2007, at Rydges Melbourne Hotel, 186 Exhibition Street Melbourne.

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

- A personalised Proxy Form; and
- The Company's 2007 Annual Report (if you elected to receive a hardcopy version).

If you elected not to receive a hardcopy version, the 2007 Annual Report can be easily viewed and downloaded from our corporate website [www.twowaytv.com.au/investors/annual\\_reports](http://www.twowaytv.com.au/investors/annual_reports)

#### *Attendance*

If you wish to attend the meeting:

- please bring this letter with you to assist us to process your registration efficiently; and
- it would be helpful if you could tell us that you wish to attend by calling us on (02) 9017 7000.

#### *Voting*

It is not compulsory to vote at the meeting. If you would like to vote on the resolutions contained in the Notice of Meeting, you may either attend the meeting or alternatively appoint a proxy to vote for you at the meeting by using the attached Proxy Form. If you intend to appoint a proxy, please complete the Proxy Form and return it to us in accordance with the directions on the reverse side of the form by 11:30 am (Melbourne time) on Tuesday, 30 October 2007.

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

Yours sincerely,



Stuart J McGregor  
Chairman

**PLEASE BRING THIS LETTER TO THE ANNUAL GENERAL MEETING.**

The Annual General Meeting of Two Way Limited will be held on Thursday, 1 November 2007 at Rydges Melbourne Hotel, 186 Exhibition Street, Melbourne, with registration commencing at 10:30 am (Melbourne time).

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

## Two Way Limited

ABN 28 007 424 777

Registered Office: Suite 2.05

55 Miller Street

PYRMONT NSW 2009

### Notice of 2007 Annual General Meeting

Two Way Limited gives notice that its Annual General Meeting of members will be held at 11:30am (Melbourne time) on Thursday, 1 November 2007 at:

Rydges Hotel Melbourne  
186 Exhibition Street  
MELBOURNE VIC 3000

### Items of Business

Ordinary Business:

Item 1: Financial Statement and Reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and the Auditor for the financial year ended 30 June 2007.

Item 2: Remuneration Report

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

*"That the Remuneration Report as set out in the 2007 Annual Report be adopted."*

Item 3: Election of Directors

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

*"That Stuart James McGregor, a Director retiring in accordance with the Constitution, being eligible, is re-elected as a Director of Two Way Limited."*

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

*"That Craig Francis Connelly, a Director appointed by the Directors on 21 June 2007 and retiring, being eligible, is elected as a Director of Two Way Limited."*

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

*"That Christopher Roberts Grant-Foster, a Director appointed by the Directors on 20 July 2007 and retiring, being eligible, is elected as a Director of Two Way Limited."*

Item 4: Approval of Issue of Options to Managing Director

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

*"That approval is given for the purposes of Listing Rules 7.1, 10.11, 10.14 and all other purposes, for the issue to the Managing Director of one million options to subscribe for fully paid ordinary shares in Two Way Limited in accordance with the rules of the Company's Employee Share Option Plan, as described in the Explanatory Notes accompanying and forming part of this Notice of Meeting."*

Dated 20 September 2007

By order of the Board of Directors



Rointon Nugara  
Company Secretary  
Two Way Limited

## Explanatory Notes

### Item 1: Financial Statements and Reports

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

### Item 2: Remuneration Report

The Corporations Act 2001 requires that the Directors' Report (which forms part of the 2007 Annual Report) must include a Remuneration Report, which discloses certain information regarding the Company's remuneration policy, and details of the remuneration of certain Company officers and executives.

Under the Corporations Act 2001, a resolution that the Remuneration Report be adopted must be put to the vote at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Shareholders will be given ample opportunity to ask questions and make comments on the Remuneration Report at the Meeting.

*The Board unanimously recommends that shareholders vote in favour of Resolution 2.*

### Item 3: Election of Directors

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

Mr Stuart James McGregor is due to retire by rotation in accordance with the Company's Constitution and, being eligible, presents himself for re-election.

Stuart McGregor was educated at Melbourne University and the London School of Business Administration, gaining degrees in Commerce and Law. He also completed a Masters of Business Administration. Over the last 30 years, Stuart has had a wide-ranging, active involvement across the Asian Region. In business, he has been Company Secretary of Carlton United Breweries, Managing Director of Cascade Brewery Company Ltd in Tasmania and Managing Director of San Miguel Brewery Hong Kong Ltd; a publicly listed Hong Kong based company with subsidiary businesses in China. In the public sector, he served as Chief of Staff to a Minister for Industry and Commerce in the Federal Government and as Chief Executive of the Tasmanian Government's economic development agency. Mr McGregor was formerly a director of Primelife Limited from 1 December 2001 to 31 March 2004.

*A review of Mr McGregor's performance during the period of his directorship has been undertaken. The Board unanimously recommends that shareholders vote in favour of Resolution 3(a).*

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

Mr Craig Francis Connelly and Mr Christopher Roberts Grant-Foster were recently appointed to the Board to fill such casual vacancies, and therefore are now eligible for election at this meeting.

Craig Connelly is Managing Director of AR Capital Management Pty Limited, a Melbourne-based equity fund manager. He has worked in financial markets for the past 15 years, and prior to that spent five years at Price Waterhouse. He is a qualified Chartered Accountant, a Member of the Institute of Chartered Accountants and a Fellow of Finsia (Financial Services Institute of Australia). Mr Connelly joined Goldman Sachs JB Were (formerly JB Were) as an assistant analyst in early 1993, and became a securities analyst in 1994. He was made an equity partner in 1996 at the age of 30. He left Goldman Sachs JB Were in mid-2004 to establish AR Capital Management.

*A review of Mr Connelly's performance during the period of his directorship has been undertaken. The Board unanimously recommends that shareholders vote in favour of Resolution 3(b).*

Chris Grant-Foster is the Managing Director / CEO of Insite Management, a communications company with expertise in media buying, marketing, talent management and public relations. Chris was previously the Chief Executive Officer of Two Way Limited and oversaw the signing of the pay TV wagering deal with Tabcorp and Foxtel. Chris has extensive experience in the telecommunications, content and media fields. He has held senior positions as Managing Director iTouch Asia Pacific, General Manager Telecommunications Samsung Australia, General Manager Technology and Operations Mobile Hutchison 3, and Siemens Ltd where he worked in London and Australia on Business Systems and Mobile.

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

#### Item 4: Approval of Issue of Options to Managing Director

Resolution 4 seeks shareholder approval under the ASX Listing Rules to issue to the Managing Director, Mr Ben Reichel, one million options to subscribe for fully paid ordinary shares in the Company in accordance with the rules of the Company's Employee Share Option Plan ("ESOP").

The Remuneration Committee advises the Board on remuneration practices and policies which are fair and reasonable. In relation to the Company's executives, the Company's remuneration policy is to ensure that executive remuneration packages properly reflect a person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating executives of the highest calibre. As a result, remuneration packages for the Managing Director and senior executives include both fixed and performance-based remuneration. Base salary is determined by considering the scope of the executive's responsibility, importance to the business, competitiveness in the market, and assessed potential. Performance-based remuneration consists of grants of options under the ESOP, and the payment of cash bonuses.

The Company introduced its ESOP in August 2007. The ESOP is designed to retain the Company's key employees, and provide incentives over the short, medium and long term.

Up to 3,000,000 new options will be granted under the ESOP. There are three series of options, with exercise prices of 50 cents, 80 cents and \$1.00. The total number of options will be divided between these three series, in the ratio of 25%, 25% and 50%.

The majority of the options (62.5%) will be granted with effect from 1 August 2007, and the remaining 37.5% will be granted on 1 August 2008. The options will not fully vest until 1 August 2010.

In conjunction with this new plan, the Chairman, Mr Stuart McGregor, has voluntarily handed back and cancelled (for nil consideration) all of his 687,500 vested options under the previous option plan, and will receive no options under the new plan. Mr Reichel has handed back and cancelled (for nil consideration) all of his 75,000 vested options.

The overall dilution of the Company's share base, as a result of the combined impact of the old and new option plans, will be no more than 1.4%.

The grant of option rights provides an incentive that ultimately benefits both shareholders and option holders, as option holders will only benefit if the market price of the underlying shares exceeds the exercise price. The options offered to the Managing Director under the ESOP are exercisable at a premium to the Company's share price, which was 17.5 cents on the day that his appointment was announced.

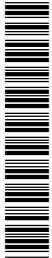
The details of the proposed grant of options to the Managing Director are set out in the table below, in accordance with the requirements of ASX Listing Rule 10.15.

Name of person entitled to participate in ESOP <sup>1</sup>	Mr Benedict Paul Reichel
Maximum number of options <sup>2</sup>	1,000,000 in total, comprising of three series: Series 1 – 250,000 Series 2 – 250,000 Series 3 – 500,000
Issue date <sup>3</sup>	Series 1 – 1 August 2007 Series 2 – 50% on 1 August 2007; 50% on 1 August 2008 Series 3 – 50% on 1 August 2007; 50% on 1 August 2008
Price of each option <sup>4</sup>	The options are not granted for an issue price. However, an exercise price is payable for the conversion of the options into ordinary fully paid shares.
Exercise price	Series 1 – 50 cents Series 2 – 80 cents Series 3 – \$1
Earliest exercise date	Series 1 – The date of commercial launch of the Company's pay TV wagering service Series 2 – 1 August 2009 Series 3 – 1 August 2010
Expiry date	Two years after the earliest exercise date
Value of financial benefit	\$75,000 <sup>5</sup>

1. ASX Listing Rule 10.15.4A
2. ASX Listing Rule 10.15.2
3. ASX Listing Rule 10.15.7
4. ASX Listing Rule 10.15.3
5. The issue of options to Mr Reichel under Resolution 4 has been valued in accordance with industry standard methodology at \$75,000, on which tax is payable.

The Company has not previously issued securities to directors under the ESOP (ASX Listing Rule 10.15.4).

The Company does not propose to provide any financial assistance in relation to the proposed issue under the ESOP (ASX Listing Rule 10.15.6).



ASX Listing Rule 7.1 prevents the Company from issuing more than 15% of its issued capital in any 12 month period, unless it obtains shareholder approval. An issue of options is included for the purpose of this calculation. Under Resolution 4, the Company seeks to obtain shareholder approval for the issue of securities so as to maintain its ability to issue a maximum of 15% of its issued share capital over the next 12 months without further shareholder approval.

There is no other information known to the Directors or the Company (besides that set out in these Explanatory Notes) that is reasonably required by shareholders in order to decide whether or not it is in the Company's interests to pass Resolution 4.

#### Voting Exclusion Statement

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by the Managing Director, Mr Benedict Paul Reichel, and his associates.

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

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

#### Recommendation

*Mr Reichel declines to make a recommendation in relation to Resolution 4, due to his material personal interest in the outcome.*

*The Company's other Directors recommend that shareholders vote in favour of Resolution 4.*

## **Additional Notes**

### *Voting*

For the purposes of voting at the Annual General Meeting, the Directors have determined in accordance with the Company's Constitution and the Corporations Regulations 2001 that all shares of the Company that are quoted on the Australian Stock Exchange as at 11:30 am (Melbourne time) on Tuesday 30 October 2007, will be taken to be held by those persons recorded on the Company's share register as holding them at that time. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### *Proxies*

Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his or her stead.

If a shareholder appoints two proxies, the appointment of each proxy may specify the proportion or number of that shareholder's votes that each proxy may exercise. If the appointment does not specify the proportion or the number of the shareholder's votes each proxy may exercise, each proxy may exercise one half of the votes.

If a shareholder appoints two proxies, neither proxy is entitled to vote on a show of hands.

A proxy given by a corporate shareholder must be executed in accordance with its constitution and the Corporations Act 2001, or under the hand of a duly authorised attorney.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit.

Proxy Forms and other documentation may be lodged as follows:

- by mail or facsimile to the Company's share registry:
  - using the enclosed envelope; or
  - c/- Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne, Victoria 3001

Facsimile: (03) 9473 2555 (within Australia) or +613 9473 2555 (outside Australia)

or

- by delivery or facsimile to the registered office of the Company:
  - Suite 2.05  
55 Miller Street  
Pyrmont NSW 2009  
Attention: Company Secretary

Facsimile: (02) 9017 7001

To be effective, the Company must receive the completed Proxy Form and, if the form is signed by the shareholder's attorney, the authority under which the Proxy Form is signed (or a certified copy of the authority) by no later than **11:30am (Melbourne time) on Tuesday 30 October 2007**.

**Two Way Limited**  
 ABN 28 007 424 777

# Proxy Form

**All correspondence to:**

Computershare Investor Services Pty Limited  
 GPO Box 242 Melbourne  
 Victoria 3001 Australia  
 Enquiries (within Australia) 1300 850 505  
 (outside Australia) 61 3 9415 4000  
 Facsimile 61 3 9473 2555  
 www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 TTV  
 MR JOHN SMITH 1  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I N D

## Appointment of Proxy

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



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

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Two Way Limited to be held at Rydges Melbourne Hotel, 186 Exhibition Street Melbourne, Victoria on Thursday 1 November 2007 at 11.30am and at any adjournment of that meeting.

**IMPORTANT: FOR ITEM 3a BELOW**



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 3a below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3a and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3a.

## Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*		For	Against	Abstain*
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3c Election of Christopher Roberts Grant-Foster as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Stuart James McGregor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Approval of Issue of Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Election of Craig Francis Connelly as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

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

## 3 Votes on Items of Business

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

## 4 Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.30am on Thursday 1 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged:

- IN PERSON Registered Office - Suite 2.05 55 Miller Street Pyrmont NEW SOUTH WALES 2009 Australia  
Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 Australia
- BY MAIL Registered Office - Suite 2.05 55 Miller Street Pyrmont NEW SOUTH WALES 2009 Australia  
Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia
- BY FAX 61 3 9473 2555