

**ASX RELEASE**

**10 October 2008**

**Notice of Meeting & Online Version of 2008 Annual Report**

In accordance with Listing Rule 3.17, Two Way Limited lodges the attached Notice of Meeting for the 2008 Annual General Meeting, to be held on 13 November 2008 (including explanatory notes, letter of invitation to shareholders and proxy form).

An online interactive version of the 2008 Annual Report can also be viewed at our corporate website at [www.twowaytv.com.au/investors/annual\\_reports](http://www.twowaytv.com.au/investors/annual_reports).

**For further information:**

Ben Reichel  
Chief Executive Officer and Managing Director  
Phone: +612 9017 7000 or 0412 060 281

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**ABOUT TWO WAY LIMITED (ASX: TTV)**

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

Two Way has developed an interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and Foxtel, with the potential to establish similar relationships with other wagering and broadcasting partners throughout Australia and overseas.

Our interactive wagering technology offers advanced betting features and related information, and utilises the latest synchronisation techniques to enhance the user experience. This technology can be applied to both racing and sports betting applications.

Our Way2Bet wagering portal offers an extensive range of information resources to help punters bet better. These services are available via online and mobile devices at [www.way2bet.com.au](http://www.way2bet.com.au) and way2bet.mobi.

Our Way2Play casual games portal complements and extends our interactive TV games channels.

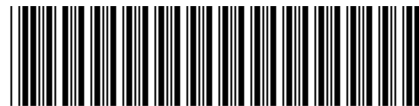
Two Way's products are currently being deployed by leading wagering and interactive TV operators in Australia and New Zealand. Our clients include Tabcorp, Foxtel, Austar and Sky New Zealand.

To learn more about Two Way visit [www.twowaytv.com.au](http://www.twowaytv.com.au).

Two Way Limited  
ABN 28 007 424 777

000001 000 TTV  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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Dear Shareholder

It is my pleasure to invite you to the 2008 Annual General Meeting of Two Way Limited.

The meeting will be held at 11:30am (Sydney time) on Thursday, 13 November 2008, at Four Points by Sheraton Hotel, 161 Sussex Street Sydney.

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

- A personalised Proxy Form; and
- The Company's 2008 Annual Report (if you elected to receive a hardcopy version).

*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 (Sydney time) on Tuesday, 11 November 2008.

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, 13 November 2008 at Four Points by Sheraton Hotel, 161 Sussex Street, Sydney, with registration commencing at 10:30 am (Sydney 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 2008 Annual General Meeting

Two Way Limited (the Company) gives notice that its Annual General Meeting of members will be held at 11:30am (Sydney time) on Thursday, 13 November 2008 at:

Four Points by Sheraton Hotel  
161 Sussex Street  
SYDNEY NSW 2000

## 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 2008.

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 2008 Annual Report be adopted."*

Item 3: Election of Directors

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."*

Item 4: Approval of Issue of Options

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

*"That approval is given for the purposes of Listing Rule 7.2 (exclusion 9) and all other purposes, for the issue to eligible employees of the Company of 1,135,200 options to subscribe for fully paid ordinary shares in the Company 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."*

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

*"That approval is given for the purposes of Listing Rules 10.11, 10.14 and all other purposes, for the issue to the Managing Director of 500,000 options to subscribe for fully paid ordinary shares in the Company 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."*

Item 5: Change of Auditor

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

*"That William Buck (NSW Partnership) of 66 Goulburn Street, Sydney, NSW, having been nominated for appointment as auditor of the Company and its controlled entities and having consented in writing to so act, be appointed auditor with such appointment to take effect from the later of the passing of this resolution and the time at which the resignation of Grant Thornton as auditor takes effect."*

Dated 18 September 2008

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 2008 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 business career with active involvement across the Australasian and 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.*

### Item 4: Approval of Issue of Options

As previously announced to the market, the Company cancelled 6.22 million options under its previous Employee Share Option Plans (ESOP) on 30 June 2008. At the same time the Board resolved to implement a new ESOP which would provide a more effective incentive to retain and motivate staff over the short to medium term, while preserving the Company's cash position. 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.

Under the terms of the new plan, a total of 2.22 million options would be issued to employees in two series:

- a) Series A (28% of total) would be granted on 1 July 2008 and have an exercise price of 7.5 cents, which is the volume weighted average price (VWAP) of shares in the Company traded on the ASX in the 30 days prior to grant date. These options will vest on 30 June 2009.
- b) Series B (72% of total) would be granted progressively over the 2009 financial year, with 6% of the total being granted on the first day of each month during that year commencing 1 July 2008. The exercise price for each grant of options will be based on the VWAP of the shares in the Company traded on the ASX in the month prior to each grant date. These options will vest two years after each grant date.

As noted in the 30 June 2008 ASX announcement, the net effect of the cancellations and new issues would reduce the Company's fully diluted share base by 3.4%.

Of the total of 2.22 million options to be issued under the new plan, 500,000 will be issued to the Managing Director, provided that shareholder approval is obtained.

A total of 754,800 options were issued under the new plan on 1 July 2008. Of these, 584,800 were issued to staff, and 170,000 will be issued to the Managing Director provided that shareholder approval is obtained.

Subsequent to the 30 June 2008 announcement, the ASX advised the Company that shareholder approval should be obtained prior to any further options being issued.

**Resolution 4(a)** seeks shareholder approval under Listing Rule 7.2 (exclusion 9) and all other provisions to issue to eligible employees of the Company (excluding the Managing Director), 1,135,200 options to subscribe for fully paid ordinary shares in the Company. This, together with 584,800 options issued on 1 July 2008, will provide for the issue to staff of a total of 1,720,000 options to subscribe for fully paid ordinary shares in the Company.

As outlined above, the exercise price of the options will be based on the VWAP of the shares in the Company traded on the ASX in the month prior to each grant date. The options will vest two years after each grant date and will expire two years after the earliest vesting date.

Where an individual ceases to be an employee of the Company, and subject to the sole discretion of the Remuneration Committee, vested options may be exercised within 12 months following the date of cessation of employment. Any vested options not exercised after this period will expire. Unvested options will expire on the date of cessation of employment.

Shares purchased pursuant to the exercise of the options rank equally in all respects with other shares of the Company on issue at the exercise date.

**Resolution (b)** seeks shareholder approval under Listing Rules 10.11, 10.14 and all other provisions, to issue to the Managing Director a total of 500,000 options to subscribe for fully paid ordinary shares in the Company.

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 only of person entitled to participate in ESOP <sup>1</sup>	Mr Benedict Paul Reichel
Maximum number of options <sup>2</sup>	500,000 in total, comprising of two series: Series A - 140,000 Series B - 360,000
Issue date <sup>3</sup>	Series A - 1 July 2008 Series B - 30,000 to be granted on the first day of each month during the 2009 financial year. No securities to be issued later than 12 months after this meeting.
Price of each option <sup>4</sup>	These 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, which is based on VWAP of the Company's shares traded in the month prior to each issue date.
Exercise Price	Series A - 7.5 cents Series B - based on VWAP during the 2009 financial year. Priced to date: • 1 Jul 2008 - 7.4 cents • 1 Aug 2008 - 6.7 cents • 1 Sep 2008 - 6.1 cents
Earliest exercise date	Series A - 30 June 2009 Series B - two years after each grant date
Expiry date	Two years after the earliest exercise date

Value of financial benefit <sup>5</sup>	<p>Series A - \$10,500</p> <p>Series B - Issued to date:</p> <ul style="list-style-type: none"> <li>• 1 Jul 2008 - \$2,220</li> <li>• 1 Aug 2008 - \$2,010</li> <li>• 1 Sep 2008 - \$1,830</li> <li>• Total value issued to date - \$6,060</li> </ul>
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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 total value of options issued to date to Mr Reichel under Resolution 4(b) is \$16,560. The value of Series B options yet to be issued cannot be ascertained at this time as these will be based on VWAP calculations on the first day of each month for the remainder of the 2009 financial year

Mr Reichel currently holds 250,000 options with an exercise price of 50 cents valued at \$25,500, which were issued in 2007 as part of a previous 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 (Listing Rule 10.15.6).

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 Resolutions 4(a) and 4(b).

#### Voting Exclusion Statement

Under Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 4(a) and 4(b) 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.

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

*The Company's other Directors recommend that shareholders vote in favour of both Resolutions 4(a) and 4(b).*

#### Item 5: Change of Auditor

As a result of William Buck (Victoria) merging with Grant Thornton and changing its name to Grant Thornton, consideration was given as to the ability of the newly formed Melbourne-based partnership to adequately service the Company which is based in Sydney, in line with ASIC Policy Statement PS 26.16(d). The Company considered it appropriate to re-tender the audit function, noting that there are no disputes between Company management and Grant Thornton, nor other circumstances connected with ceasing to hold office.

William Buck (NSW Partnership) were successful in the tender process.

Following completion of that tender process, the following has taken place:

- Grant Thornton has tendered its resignation as auditor to Two Way Limited and its controlled entities and has advised the Company that they applied to the Australian Securities and Investments Commission (ASIC) for consent to resign, with the effective date to be the date of the AGM on 13 November 2008. The Company's expectation is that ASIC's consent will be forthcoming prior to the date of the AGM; and
- The Company has received consent in writing from William Buck (NSW Partnership) to act as auditor of the Company and its controlled entities.

*The Company's Board recommends members pass the resolution to appoint William Buck (NSW Partnership) as the auditor of the Company and of its controlled entities.*

## 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 (Sydney time) on Tuesday 11 November 2008, 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: 1800 783 447 (within Australia) or +61 3 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 (Sydney time) on Tuesday 11 November 2008**.

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

000001 000 TTV  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

### For all enquiries call:

(within Australia) 1300 855 080  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 11.30am (AEDT) on Tuesday 11 November 2008**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Two Way Limited hereby appoint

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 Four Points by Sheraton Hotel, 161 Sussex Street, Sydney on 13 November 2008 at 11.30am and at any adjournment of that meeting.

### STEP 2 Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 3 below, please mark the box in this section. 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 3 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 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 3 Items of Business



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

#### Ordinary Business

	For	Against	Abstain
2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Stuart James McGregor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Approval of issue of Options to eligible employees of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4b Approval of issue of Options to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Appointment of William Buck (NSW Partnership) as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_