

ASX RELEASE

15 October 2010

Notice of Meeting & Online Version of 2010 Annual Report

In accordance with Listing Rule 3.17, Two Way Limited lodges the attached Notice of Meeting for the 2010 Annual General Meeting, to be held on 18 November 2010 (including explanatory notes, letter of invitation to shareholders and proxy form).

An online interactive version of the 2010 Annual Report can also be viewed at our corporate website at 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

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 award-winning interactive TV wagering service with Tabcorp Holdings Limited (ASX:TAH) and FOXTEL, which has now been extended to include Racing and Wagering Western Australia (RWWA) and UNiTAB Limited (ASX:TTS). 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, 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 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, UNiTAB, FOXTEL, Austar, Optus TV and Sky New Zealand. To learn more about Two Way visit www.twowaytv.com.au



Dear Shareholder

It is my pleasure to invite you to the 2010 Annual General Meeting of Two Way Limited.

The meeting will be held at 11:30am (Sydney time) on Thursday, 18 November 2010, 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 2010 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 or voting online. 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, 16 November 2010.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'S. J. McGregor'.

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, 18 November 2010 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 2010 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, 18 November 2010 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 2010.

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 2010 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 Share Issue

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

"That approval is given for the purposes of Listing Rules 7.2, 10.11, 10.14 and all other purposes, for the issue to the Managing Director of up to \$100,000 worth of fully paid ordinary shares in the Company per year, in lieu of the equivalent amount of any annual cash bonus that the Managing Director may become entitled to, in accordance with the Explanatory Notes accompanying and forming part of this Notice of Meeting."

Dated 15 September 2010

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 2010 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.

Stuart is a member of Two Way Limited's Audit & Risk Management Committee and Nominations, Remunerations & Corporate Governance Committee.

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 Share Issue

The Managing Director and Chief Executive Officer is employed under an Executive Service Agreement dated 20 July 2007, the key terms of which were announced to the market on that date. As disclosed in that announcement:

"...the CEO is eligible to earn an annual bonus in each financial year from FY08 onwards. The amount of the bonus is in the discretion of the Board, based on the

extent to which the CEO meets certain key performance indicators, with a maximum bonus payable of \$100,000.”

The Managing Director and the Board have discussed a new proposal for the annual bonus that is designed to preserve the Company’s cash resources, while at the same time providing the Managing Director with greater equity participation in the Company. Under this proposal, the Managing Director may be issued with fully paid ordinary shares in the Company, instead of a cash payment, provided that shareholder approval is obtained.

The grant of shares provides an incentive to the Managing Director to increase the share price, which provides a direct benefit to shareholders. At the same time, cash expenditure by the Company will be reduced.

The maximum bonus has not been paid in any year since the Managing Director was appointed. A bonus of \$17,000 was paid in respect of the 2009 financial year, and a bonus of \$25,000 was paid in respect of the 2010 financial year. This reflects the fact that the key performance indicators (**KPIs**) applicable to the Managing Director have included an element of “stretch” targets, designed to encourage increased performance.

The KPIs are set by the Board at the outset of each financial year. Past KPIs have related to the launch and expansion of the Company’s TV wagering service, and meeting or exceeding budgeted financial targets relating to revenue, costs and cash flow.

The requirement to meet KPIs, and the “stretch” element in those KPIs, will continue to apply. This means that in any given year the Managing Director may earn no bonus, or may earn a bonus that is substantially smaller than the maximum of \$100,000.

If shareholder approval is obtained, and the required KPIs are met, then for each of the three financial years from 2011 to 2013, up to 100% of the Managing Director’s annual bonus may be paid in the form of shares in the Company, rather than cash. For the 2011 financial year, it is proposed to issue 50% of any bonus earned in the form of shares, with the remainder in cash. Different proportions may apply in future years.

If shareholder approval is not obtained, then any bonus earned by the Managing Director will continue to be payable in cash only, in accordance with the terms of the Executive Service Agreement.

Shareholders should be aware that, under recent changes to taxation law introduced by the Federal Government, the Managing Director may be taxed on any shares issued on the same basis as if he had been paid an equivalent amount of cash. This may require the Managing Director to sell parcels of shares from time to time, in order to meet a personal income tax bill. Any sales that might occur on that basis should not be taken as indicating that the Managing Director lacks confidence in the Company’s prospects of success.

Listing Rule 10.11 requires the approval of ordinary shareholders to issue securities to a related party. For the purposes of Listing Rule 10.11, a director of a public company is defined as a related party under section 228 of the Corporations Act. Where an approval is given under Listing Rule 10.11, no separate approval is required under Listing Rule 7.1.

The proposed issue of shares to the Managing Director is in lieu of part or all of the annual performance bonus that the Managing Director might otherwise become entitled to, and is therefore treated as an “employee incentive scheme” for the purposes of the Listing Rules. Rule 10.14 provides that a company may not permit one of its directors to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities.

Resolution 4 seeks shareholder approval for the purposes of Listing Rules 7.2, 10.11, 10.14 and for all other purposes, to issue to the Managing Director a total of up to \$100,000 worth of fully paid ordinary shares in the Company per year, in lieu of the equivalent amount of any annual cash bonus that the Managing Director may become entitled to, in accordance with the Explanatory Notes accompanying and forming part of this Notice of Meeting.

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

Name of (only) person entitled to participate ¹	Mr Benedict Paul Reichel
Maximum number of shares ^{2,5}	Up to \$100,000 worth per year in each of the 2011, 2012 and 2013 financial years, in accordance with a Volume Weighted Average Price (VWAP) calculation in each year as set out

	below.
Price of each share ³	The number of shares to be issued will be calculated by dividing the dollar amount of the proposed issue (up to \$100,000) by the VWAP of the Company's shares traded on the ASX in the 12 months ending on the day prior to the issue date.
Issue date ⁴	Within 30 days of the Board approving the audited financial statements in relation to each of the 2011, 2012 and 2013 financial years. In any event, prior to 18 November 2013.
Value of financial benefit	Up to \$100,000 per year in each of the 2011, 2012 and 2013 financial years.

1. ASX Listing Rule 10.15A.5

2. ASX Listing Rule 10.15A.2

3. ASX Listing Rule 10.15A.3

4. ASX Listing Rule 10.15A.9

5. The Company has applied for and been granted a waiver from listing rule 10.15A.2 in order that the maximum number of securities to be granted to Mr Reichel need not be disclosed in this Notice of Meeting. The basis for the waiver being granted is that this Notice of Meeting contains sufficient information about the method of calculating entitlements.

Mr Reichel currently holds 500,000 options with exercise prices varying between 1.8 and 7.3 cents, which were approved for issue in 2008 as part of a previous employee incentive scheme. (Listing Rule 10.15A.4)

No securities have previously been issued under this proposed employee incentive scheme, as shareholder approval has not yet been obtained. (Listing Rule 7.2 exception 9(b) and Listing Rule 10.15A.4)

The Company does not propose to provide any loan or other financial assistance in relation to the proposed issue. (Listing Rule 10.15A.7)

Details of any securities issued under this employee incentive scheme will be published in each annual report of the Company relating to a period in which securities are issued. The annual report will also state that approval for the issue of securities was obtained under Listing Rule 10.14. (Listing Rule 10.15A.8)

Any additional persons who become entitled to participate in this employee incentive scheme after the resolution is approved, and who were not named in this Notice of Meeting, will not participate until approval is obtained under Listing Rule 10.14. (Listing Rule 10.15A.8)

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.

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 (Sydney time) on Tuesday 16 November 2010, 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 voting online at:

www.registries.com.au/vote/twowayagm2010

or

- by mail or facsimile to the Company's share registry:
 - using the enclosed envelope; or
 - c/- Registries Limited
GPO Box 3933
Sydney NSW 2001
Facsimile: (02) 9290 9655 (within Australia) or +612 9690 9655 (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 16 November 2010**.



Two Way Limited
ABN 28 007 424 777

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 737 760 (outside Australia)
+61 2 9290 9600

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:
Registries Limited
GPO Box 3993
Sydney NSW 2001
Australia

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11.30AM
TUESDAY 16th NOVEMBER 2010

TO VOTE ONLINE



STEP 1 : VISIT www.registries.com.au/vote/twowayagm2010

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. Please note, you cannot change ownership of your securities using this form.

Reference Number: <HIN/SRN>

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. 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 security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

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 securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the 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.

STEP 3 Sign the Form

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. Please indicate the office held by signing in the appropriate place.

STEP 4 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 not later than 48 hours before the commencement of the meeting at 11.30am on Thursday, 18 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993,
Sydney NSW 2001 Australia

BY FAX - +61 2 9290 9655

IN PERSON - Share Registry – Registries Limited,
Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.registries.com.au/vote/twowayagm2010
or turnover to complete the Form →

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



<BARCODE>

NAME AND ADDRESS DETAILS

STEP 1 - Appointment of Proxy

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

Form for appointing the Chairman of the Meeting, including a checkbox and an 'OR' followed by a text box.

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 at the Annual General Meeting of Two Way Limited to be held at the Four Points by Sheraton Hotel, 161 Sussex Street, Sydney, NSW 2000 on Thursday, the 18th November 2010 at 11.30am and at any adjournment of that meeting, to act 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.

STEP 2 - Voting directions to your Proxy – please mark [X] to indicate your directions

Table with 3 columns: Ordinary Business, For, Against, Abstain*. Rows include: To adopt the remuneration report, To re-elect Mr Stuart James McGregor as a director, Approval of issue of Shares to the Managing Director.

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the 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.

STEP 3 - PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Three signature boxes labeled: Individual or Securityholder 1, Securityholder 2, Securityholder 3.

Sole Director and Sole Company Secretary, Director, Director/Company Secretary

Contact Name Contact Daytime Telephone Date / / 2010