

**ASX RELEASE**

**25 September 2009**

**Letter to Shareholders –  
Non-renounceable Rights Issue**

Two Way Limited announces that the attached letter relating to a non-renounceable rights issue is being posted to shareholders today.

**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 award-winning 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)

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25 September 2009

Name and Address Line 1

Name and Address Line 2

Dear Shareholder

### 1 FOR 6 NON-RENOUNCEABLE RIGHTS ISSUE AT 4 CENTS

I am pleased to advise you that the Board of Two Way Limited (the **Company**) has decided to undertake a non-renounceable rights issue of up to 27,298,022 New Shares in the Company on the basis of one (1) new ordinary fully paid shares in the Company for every six (6) shares held at an issue price of four (4) cents per share (**Rights Issue**).

The primary purpose of the rights issue is to raise approximately \$1.09 million to provide working capital as the Company continues to develop, roll out and promote its TV wagering service.

The offer is being made in accordance with section 708AA of the Corporations Act 2001 (Cth). As such the Company is not required to lodge a prospectus with ASX or the Australian Securities & Investments Commission under the Corporations Act.

A copy of the Offer Document (which outlines further information on the Rights Issue) and a personal Entitlement and Acceptance Form will be mailed to all eligible shareholders no later than 7 October 2009. The Cleansing Notice, the Offer Document and the Appendix 3B were lodged with the ASX on 24 September 2009 and are available for inspection on the ASX website at [www.asx.com.au](http://www.asx.com.au) and the Company's website ([www.twowaytv.com.au](http://www.twowaytv.com.au)).

New shares issued as a result of the Rights Issue will rank equally with existing ordinary shares in the Company.

Participation in the Rights Issue is only available to shareholders with registered addresses in Australia and New Zealand as at 5pm (EST) on 2 October 2009 (**Record Date**).

The Company has decided that it is unreasonable to make the Offer to Shareholders who have a registered address in a country outside of Australia or New Zealand, having regard to the number of Shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

This letter is being sent to shareholders with registered addresses outside Australia and New Zealand for information purposes only. They will not be sent an Offer Document or Entitlement and Acceptance Form. The shares to which they would otherwise be entitled will be available for eligible shareholders to take up as shortfall shares, and to the extent not so taken up, will form part of the underwritten shortfall.

The Rights Issue is fully underwritten by Bell Potter Securities Limited. An underwriting fee of 4% and a management fee of 1% of the total gross proceeds raised under the Rights Issue will be paid to the underwriter. A major sub-underwriting position has been taken up by E.L. & C. Baillieu Stockbroking Limited. A summary of the terms and conditions of the underwriting agreement are set out in the Offer Document.

## Summary of Key Dates

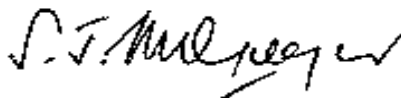
Key dates in respect of the Rights Issue are as follows:

Lodgement of Appendix 3B, Offer Document and Cleansing Notice	Thursday 24 August 2009
Shares quoted ex-rights	Monday 28 September 2009
Record Date for determining entitlements	Friday 2 October 2009
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders	Wednesday 7 October 2009
Closing Date	Friday 23 October 2009
Securities quoted on a deferred settlement basis	Monday 26 October 2009
Notification to ASX of under subscriptions	Wednesday 28 October 2009
Despatch of shareholding statements	Monday 2 November 2009
Expected commencement of normal trading of new shares	Wednesday 4 November 2009

Further details on the Rights Issue are contained in the Offer Document. For further information regarding your entitlement to participate in the Rights Issue, please contact Rointon Nugara, our Company Secretary.

We have chosen to raise the necessary capital through a rights issue to provide existing shareholders with an opportunity to maintain their investment in the Company and to support the rollout of our TV wagering service, which has already been successfully launched in Victoria and New South Wales on the FOXTEL platform.

Your Board recommends the issue to you and looks forward to your support of it.



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**Stuart McGregor**  
Chairman