



Sydney, January 10th 2005

TWO WAY TV AUSTRALIA CEMENTS POSITION IN ASIA- PACIFIC, AND PICKS UP EXTRA MARKETS INCLUDING MACAU

Two Way TV Australia Limited "TWTVA" (ASX:TTV) which listed on the ASX December 23rd has paid for and exercised the options over 12 Asian markets: Hong Kong, Japan, China, India, Singapore, Taiwan, Malaysia, South Korea, North Korea, Thailand, Pakistan, and Indonesia.

The Exercise of these options with Two Way Media "TWM" (UK) gives TWTVA three years in Hong Kong, China, Japan, and India and four years (being an additional year to that originally negotiated) to establish interactive businesses in the other markets following which TWTVA receives a perpetual license to use TWM's interactive television and interactive mobile technology and applications in these markets.

The option fee was AUD\$10.58 million which was \$210,000 less than forecast in the prospectus due to the strength of the Australian dollar against the contracted US dollar amounts. Granting of the options was confirmed on Saturday morning (Jan 8th) Australian time.

In another move, for an additional amount of AUD\$434,000 TWTVA also picked up a further 14 markets in Asia and the Pacific including the important Macau market which has the potential for interactive wagering and gaming.

The other markets are the Philippines, Vietnam, Cambodia, Laos, Bangladesh, Myanmar (Burma), Brunei, Nepal, Bhutan, The Maldives, Mongolia, East Timor, Sri Lanka, and Papua New Guinea. A four year term applies to these new markets.

The company said that while signing of some of these markets was designed to minimize potential intellectual property issues which could have arisen due to broadcast satellite “footprints” spilling over from TWTVA’s primary markets, the company nonetheless saw sizeable growth potential, particularly using TWTVA’s interactive mobile phone technology in some of these markets where the growth of advance mobile telephony is expanding rapidly.

“We are delighted to have now cemented our place in these important Asian and Pacific markets and we can now proceed with our plans to develop in these markets,” Managing Director of TWTVA Jim McKay said.

“We are equally delighted to have picked up more markets in the process for what we consider to be an excellent price, particularly Macau which fits in very well with our interactive gaming plans for Asia,” Mr. McKay said.

He said the Philippines had commenced digital television broadcasting and was a market for TWTVA’s significant suite of entertainment applications.

“Even in those territories where digital television is at an early stage, the populations are so large that we see significant opportunities for us using other technologies such as mobile phones to engage interactive television,” Mr. McKay said.

Mr. Jean de Fougerolles, the CEO of TWM (UK) said the two companies have had an excellent relationship for many years and have cooperated at all levels in the development of the mutual businesses.

“It was logical for us to grant the options for the Asian Licenses to Two Way Australia and from our standpoint, if Two Way Australia was taking on the major Asian markets then it was also logical that Two Way Australia had the opportunity to take the additional Asian and Pacific territories so that their regional road map was complete.

“This now enables Two Way Media (UK) to focus its efforts on Europe and North America knowing that we are in good hands with Two Way TV in Australia and Asia Pacific,” Mr. Fougerolles said.

[Note: Two Way TV Australia already holds exclusive perpetual licenses for TWM's technology, formats and applications in Australia and New Zealand and currently has interactive games channels ("Mind Games") on both Foxtel and Austar.]

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