



MEDIA RELEASE

TWO WAY TV SEIZES POSITION AS LEADER IN INTERACTIVE GAMING AND GAMBLING ON TELEVISION AND MOBILE PHONES

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Two Way TV Australia Limited (ASX: TTV) has entered into an agreement with leading industry supplier Zone4Play (NASDAQ OTCBB: ZFPI) under which it has exclusive rights to distribute Zone4Play's suite of cutting edge interactive television, SMS-TV and mobile gaming and gambling products, in Australia and New Zealand.

The agreement, which was announced to the ASX today, covers both live gambling for money and play-for-fun gaming.

Two Way TV Australia has also acquired a first and last matching right over these Zone4Play products in the same 26 Asian territories where the company has the exclusive rights to deploy products from Two Way Media (UK).

The live gambling products include poker, blackjack, roulette, lotteries, sports betting and racing packages and these would be offered to licenced gaming operators, usually on a revenue share basis, to run on subscription television and mobile phones wherever regulations permit.

In Australia, racing, sports betting and lotteries are currently permitted applications.

The play-for-fun products would be offered to television broadcasters - both pay and free-to-air - and to mobile phone operators for use on 2.5G and 3G handsets.

"This deal catapults Two Way TV Australia into the burgeoning interactive gambling and mobile markets and builds on its already formidable strengths in interactive applications for traditional television programs and wagering," Two Way's Managing Director, Mr Jim McKay, said.

In addition, these products boost Two Way TV Australia's existing games business and open new avenues of delivery via the mobile phone and Two Way's Simcast technology. Simcast is an advanced means of delivering SMS messages to television sets and achieving on screen interactivity and a return path for viewers without the need for a set-top box.

Mr McKay said Zone4Play products had been successfully deployed by pay television operators, mobile phone providers, and licenced gaming operators around the world.

For example, in the UK, live gambling is offered by Hutchinson 3G (mobile), Coral Eurobet (mobile) and The Winners Channel on UK cable platforms (NTL and Telewest).

In the US play-for-fun games are offered by Pay TV operators Cablevision and Echostar, and in the UK by pay TV operators NTL and Telewest and UK mobile operator, O2.

“We, and industry analysts, expect the strongest growth will be via 3G in the Asia Pacific market, with Japan, Hong Kong, South Korea, Macau and Australia all at the forefront of expansion, with India and the Philippines enjoying surges in their user bases as 2.5G services become more prevalent,” Mr McKay said.

The games would be fully integrated into gambling operators’ existing systems and Two Way TV Australia would then work in conjunction with operators to secure distribution via pay television and mobile phones in Australia, New Zealand, and in the Asian markets where mobile phone penetration is high and gambling popular.

“3G is experiencing explosive growth throughout the world and interactive gambling is a key driver,” Mr McKay said.

“Two Way TV now has an entire range of the most popular gambling and gaming products, both for real and for fun, which we can make available to gaming organisations and mobile carriers throughout the Asia Pacific region.

“We will also be able to provide added play-for-fun games to our existing and future television customers.”

Mr Idan Miller, Senior Vice President Marketing and Sales at Zone4Play, said the agreement allowed Zone4Play to expand activities in the Asia Pacific markets with Two Way TV Australia as the perfect partner.

“We believe that the combined forces of the two companies will enable us to launch both our play-for-fun applications and if approved by regulation, our interactive gaming solutions, into these growth markets,” Mr Miller said.

As part of the agreement, Zone4Play will provide back end technologies, game servers, middleware solutions and front end applications. Using its proven record and expertise, Zone4Play will be in charge of all integration with gaming and wagering operators and aligned broadcasters and mobile operators throughout the Asia Pacific region.

Mr McKay said Two Way TV Australia considered this aspect of the deal to be a very significant advantage to Two Way in terms of speed, ease and cost of deployment.

The term of the agreement is for 5 years, with TWTVA having a three year option to renew.

The license fee consists of a US\$350,000 per annum fixed fee off-set against a revenue share component from ongoing revenues.

The deal is subject to final technical due diligence by Two Way TV Australia.

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ABOUT TWO WAY TV AUSTRALIA (ASX: TTV)

TWTVA is the leading provider of live, competitive, enhanced TV entertainment and interactive TV applications and technology to the Australian and Asian television environment. Its competitive strengths include its patented technology, library of interactive program applications, exclusive content deals and management team.

The exclusive and perpetual licence it acquired in 2000 with Two Way Media Ltd in the United Kingdom, has given TWTVA a competitive advantage in terms of content and patented technology in both the Australian and Asian markets. This licence also gives it automatic access to arguably the world's largest library of interactive applications for existing television programs as well as to the technology to deploy these applications for broadcasters within very rapid timeframes.

TWTVA has built a powerful suite of technologies that can be operated across any television delivery platform and interactive TV middleware. The core components consist of patented production, scheduling, and monitoring tools, transmission management, game/ score processing systems, and an engine for handling real-time messaging and score process management.

ABOUT ZONE4PLAY

NASDAQ listed Zone4Play Inc. (OTCBB:ZFPI) develops interactive game technology that provides an end-to-end solution, allowing service providers to deliver games to their subscribers over multiple network platforms such as interactive TV, wireless networks, broadcast TV and the Internet, internally run, by the provider, or accessed from Zone4Play's hosting environment.

Zone4Play's cross-platform technology enables a subscriber to play a game over different platforms, with the same virtual account balance and user information, allows games to be played across service providers and allows their subscribers to interact with other subscribers from different service providers.

THE SCALE OF THE NEW GENERATION MOBILE MARKET AND IMPLICATIONS FOR THE GAMBLING AND GAMING INDUSTRIES

By the end of 2004, there were more than 16m customers subscribing to 67 3G mobile networks in 25 countries. Of those, approximately 9m were in the Asia Pacific region, primarily in Japan. In addition, there were many more networks either in advanced

testing or pre-commercial launch phase. Most operators agree that there will be at least 1.5b 3G customers by 2010. (Source: International Telecommunications Union ("ITG"))

Research from Strategy Analytics estimates that the global mobile content market will grow to US\$70b, from US\$18b in 2004 (Source: Ovum). Gaming and gambling will be key drivers of that growth.

With the development of 3G networks and the sophisticated high-speed handsets, games for mobiles are taking off. A recent report from Juniper Research said that at the end of 2004 the global market for mobile games (not including gambling) was worth around US\$3.1b. However, this figure is expected to rise sharply over the next five years, approaching US\$18.5b by 2009. Approximately 45% of this total is expected to be generated in Asia.

Gambling on mobile phones is also expected to generate phenomenal rates of growth. New data released by Juniper Research conservatively estimates that by 2009, gambling over mobile phones will increase tenfold and will generate revenues of more than US\$19.3 billion worldwide, nearly one-third of all mobile entertainment revenues. The report says that the strongest growth will be experienced in the Asia Pacific market, with Japan, Hong Kong, South Korea and Australia all at the forefront of expansion, with India and the Philippines latterly enjoying surges in their user bases as 2.5G services become more prevalent.

According to analysts at Juniper Research, the new driver of this mobile gambling growth will be lotteries, which are expected to generate revenues of \$7.9 billion globally by 2009. Sports betting and casino-style gaming are forecast to reach \$6.9bn and \$4.5bn annual take by 2009. "Given the ubiquity of mobile handsets, and the desire of many [gambling] providers to exploit this, then potentially the resulting sales could be substantially higher," the report says.

The report says: "More than 90% of the population in the UK and US have at some time played a lottery in its traditional paper form. Coupling this huge market with the immediacy and penetration of the mobile phone is a logical and lucrative proposition."