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Australian Securities Exchange Limited

By: eLodgement

Re: Priority One-GoConnect targeting online sports gaming in China

Pursuant to the announcement released by Two Way Ltd ("Two Way") on 19 December 2011 to the ASX, GoConnect Ltd ("GoConnect") is pleased to advise that the company is actively working on delivering an online sports gaming channel to the Priority One-GoConnect partnership, with a strong focus on the China gaming market.

Sports and Welfare lotteries are the only forms of legalised gaming in China, although inclusive of illegal gaming, gaming expenditure of all forms in China is estimated to exceed US\$100 billion per annum, ranking China amongst the biggest gaming markets in the world. It is only logical that, with already established relationships in the largest gaming market in the world, that Priority One-GoConnect should consider introducing their sports gaming IPTV channel firstly into China.

As of 2010, cage fighting had become the fastest growing televised sport in the world, with 300 million viewers across 120 countries contributing to an industry wide turnover estimated at US\$5 billion. The channel to be introduced into China will accordingly focus on sports tournaments commencing with Priority One's majority controlled global mixed martial arts event, "Battle for the Crown". Unique in its approach, Battle for the Crown will apply its own set of rules to this multi-disciplined event, giving a competitive advantage against competing martial arts contests.

GoConnect has established relationships in the China gaming market through Shanghai Reliance Information Technology Company Ltd ("Shanghai Reliance"), the company that Priority One and GoConnect each has a 40% equity interest in. Shanghai Reliance already operates a number of Sports and Welfare Lottery stores in Shanghai.

GoConnect and Priority One will be working closely with Shanghai Reliance's Shanghai based shareholder to fast track and to secure the most effective IPTV platform(s) for the introduction of the Priority One-GoConnect IPTV sports gaming channel into the China market, utilizing Two Way interactive technology for viewers to place their bets.

Further, the Priority One-GoConnect partnership will utilise, under commercial arrangement, the information technology expertise underpinning the broader Two Way offering including aspects of the interactive technology associated with the group's Way2Play, iTV Games, SMS to TV and Enhanced TV offerings.

Components of these services and the technology underpinning these services will be incorporated with and utilised within the Priority One-GoConnect partnership IPTV channels.

GoConnect welcomes the investment in Two Way by Priority One and looks forward to further collaboration between the groups to achieve mutually beneficial financial outcomes.

