



Q Ltd
ABN 13 083 160 909

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11 Bank Place
Melbourne Vic 3000 Australia

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14 October 2009

Dear Fellow Shareholder,

NON-RENOUNCEABLE RIGHTS ISSUE OFFER

You are invited to participate in a pro rata non-renounceable offer to raise approximately \$2.39 million for Q Ltd. The offer to you is made on the basis of one (1) new Share for every one (1) existing Share held by you at an issue price of 8.5 cents.

The funds to be raised from this issue will be used to fund part of the estimated \$4.8 million cash component of the final earn-out liabilities in respect of acquisitions made by the Company which are due for payment in the first half of FY2010 and to pay for the expenses of the Offer.

Q Ltd is a leading Australasian group of companies that provide services within the interactive advertising and digital marketing sector.

The Q Ltd Group is engaged in providing interaction between a client's brand and its target audience via websites, search engine marketing, permission marketing, email, mobile, and list marketing.

Q Ltd subsidiary companies are specialists within their respective specific sectors of the advertising industry and are leaders providing services to marketers in targeting, capturing and interacting with consumers (B2B and B2C) via interactive channels.

Your Rights Issue Offer Document, an Entitlement and Acceptance Form and an envelope addressed to the Company are enclosed with this letter. These are important documents and I request that you read them carefully.

Should you have any questions about the action you should take please consult your stockbroker or professional adviser.

The offer is at an attractive discount to the closing share price on 9 October 2009 of 15 cents per share.

The Offer is important and requires your immediate attention. The closing date for acceptances and payment is 5.00 pm EST on Wednesday, 28 October 2009.

Yours faithfully,

Paul G Choiselat
MD/CEO

For further information please contact:

Paul G Choiselat
MD/CEO
Q Ltd
Telephone: (613) 8517 1448
Facsimile: (613) 9530 2905
Mobile: +61 414 232 143
Email: pchoiselat@qxq.com.au

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Company Secretary
Q Ltd
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Q Ltd

ABN 13 083 160 909

Rights Issue Offer Document

For

A non-renounceable pro-rata offer of New Shares at an issue price of 8.5 cents each on the basis of one (1) New Share for every one (1) Share held on the Record Date to raise approximately \$2.39 million.

The Offer is not underwritten

Important Notice

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 14 October 2009 and closes at 5:00 pm EST on 28 October 2009.

Valid Entitlement and Acceptance Forms must be received before the Closing Date.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

1. Important Information

1.1 Introduction

Q Ltd is making a pro rata non-renounceable offer of New Shares to Shareholders of Q Ltd to raise approximately \$2.39 million.

This is an important document and requires your immediate attention. It should be read in its entirety.

The Offer is being made under section 708AA of the Corporations Act. This document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that an investment in Q Ltd involves many risks which may be higher than risks associated with investments in other companies. Investors should consider the investment in Q Ltd speculative. If you have any questions about what to do or whether to accept the Offer you should consult your professional adviser without delay.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by Q Ltd in connection with the Offer.

1.2 Eligibility

Applications for the New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

2. Details of the Offer

2.1 Offer

Q Ltd is making a pro rata non-renounceable offer of approximately 28,170,542 New Shares each at an issue price of 8.5 cents to Eligible Shareholders on the basis of one (1) New Share for every one (1) Existing Share held on the Record Date (**Offer**). Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share. The Offer is not underwritten. The Company will endeavour to place the Shortfall Shares, if any, within 2 months from the Closing Date and will issue those Shortfall Shares on the same terms as those New Shares being offered to existing shareholders or otherwise within an exemption in section 708 of the Corporations Act.

Q Ltd will accept Entitlement and Acceptance Forms until 5.00 pm EST on the Closing Date being 28 October 2009 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer. You may accept the Offer only by applying for Shares on a personalised Entitlement and Acceptance Form sent with this Offer Document. If you have misplaced or lost your Entitlement and Acceptance Form, please contact the Company for a replacement form.

You may accept for all or only part of your Entitlement.

Acceptance of a completed Entitlement and Acceptance Form by Q Ltd creates a legally binding contract between the applicant and Q Ltd for the number of New Shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the applicable law of Victoria.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

New Shares offered by this Offer Document are expected to be issued, and security holding statements dispatched, on the date specified in the timetable.

It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

2.2 Purpose of the Offer

Q Ltd will raise net proceeds of approximately \$2.35 million through the Offer, after deducting expenses of the Offer of approximately \$35,000 as set out below (assuming the Offer is fully subscribed or the Shortfall (if any) is placed by the Company). The net proceeds raised will be used to fund part of the cash component of the final earn-out liabilities in respect of acquisitions made by the Company which are due for payment in the first half of FY2010.

By way of background information, Q Ltd stated in its half year report for the half year ended 31 December 2008 that:

“Final earn-out liabilities in respect of acquisitions made by the Company are due for payment in first half FY2010. The balance sheet which is included in the financial statements for first half FY2009 includes estimated earn-outs of \$5.9 million. In calculating this amount, the Board has made assumptions about the level of profitability from those acquisitions during second half FY2009. Under the contracts for the acquisitions, a component of the earn-outs is payable in cash and a component is payable in Q Ltd shares. Based on estimated liabilities of \$5.9 million, the cash component will be up to \$4.8 million, with the balance payable in Q Ltd shares. The Company intends to fund the cash component of the earn-outs using cash from cashflow from operations, modest level of debt and capital raising.”

At the date of issuing this Offer Document, the Company has not yet reached agreement with its bankers to provide debt finance to assist with the funding of the earn-out payments. As a matter of precaution, the Company has elected to raise sufficient capital through this Offer to satisfy the earn-out liabilities. In the event that it is successful in securing a debt facility, the Company may choose not to place the entire Shortfall (if any) occurring under this Offer.

Any debt financing, if available, may involve financial covenants which limit the Company's operations. If the Company cannot obtain such additional capital, it may be required to reduce the scope of any expansion which could adversely affect its business, operating results and financial condition.

The expenses of the Offer are anticipated to be as follows:

Expenses:	\$
Legal fees	5,000
Corporate advisory fees	10,000
ASX listing fees	8,000
Printing and postage	<u>12,000</u>
Total expenses	<u>35,000</u>

2.3 Timetable

ASX announcement of the Rights Issue, Appendix 3B, Cleansing Notice under Section 708AA(2)(f) and sample copy of Offer Document with ASX	02/10/2009
Notice to Optionholders	02/10/2009
Notice of pro rata non-renounceable offer sent to all Shareholders	06/10/2009
Existing Shares quoted on "ex" basis	07/10/2009
Record Date for determining entitlements	13/10/2009
Offer Opens - Offer Document and Entitlement and Acceptance Form sent to eligible Shareholders, Company announces that dispatch has been completed	14/10/2009
Closing Date (5.00 pm EST)*	28/10/2009
Expected date for quotation of shares on ASX - Deferred Settlement Basis	29/10/2009
Notify ASX of under subscriptions	30/10/2009
Anticipated date for the issue of the new Shares and dispatch of holding statements **	02/11/2009
Commencement of trading of new Shares**	04/11/2009

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the closing date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only.

2.4 No Rights trading

As the Offer is non-renounceable Eligible Shareholders cannot sell or transfer all or any part of their Rights to subscribe for New Shares.

2.5 Entitlement of Shareholders

Each Eligible Shareholder who is registered as the holder of Shares at 5:00 pm (EST) on the Record Date is entitled to participate in the Offer. The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Offer Document.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and returning it in accordance with the instructions set out on the reverse of that form prior to the Closing Date. Acceptances must not exceed your Entitlement as shown on the Entitlement and Acceptance Form. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned to you. If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your rights to participate in the Offer will lapse and the New Shares not taken up by you will form part of the Shortfall.

As a result of this Offer, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

In determining Entitlements, any fractional entitlements have been rounded up to the nearest whole number of Shares.

It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. The sale by applicants of New Shares prior to the receipt of a holding statement is at the applicant's own risk.

2.6 Shortfall Shares

That part of your Entitlement not taken up will form part of the Shortfall.

The Company will issue New Shares comprising of the Shortfall at its discretion to any party on the same terms as the Offer.

2.7 ASX quotation

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer within 7 days of the Offer Document. If permission is not granted by ASX for the official quotation of the New Shares to be issued under the Offer before the expiration of 3 months after the date of this Offer Document, Q Ltd will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable.

2.8 Overseas shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand.

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders resident in New Zealand should consult with their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their entitlements under the Offer.

2.9 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 (ASTC), a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX Listing Rules and Securities Clearing House Business Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time, however there may be a charge associated with the provision of this service.

2.10 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. Q Ltd, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

2.11 Privacy

Q Ltd collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each applicant agrees that Q Ltd may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, Q Ltd's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, Q Ltd may not be able to accept or process your application.

An applicant has a right to gain access to the information that Q Ltd holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.11 Enquiries

If after reading this Offer Document, you have any questions about any aspect of an investment in Q Ltd, please contact your professional adviser. Any administrative questions can also be directed to Cynthia Chan, the Company Secretary, on (+61 3) 9691 4900 or cchan@gxq.com.au.

3. Risk Factors

Activities in Q Ltd and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. Q Ltd and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the specific risk factors which shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company.

Shareholders should carefully consider the following factors:

3.1 Operating

The operations of Q Ltd may be affected by various factors, including operational and technical difficulties encountered in interactive advertising, difficulties in its information technology infrastructure, unanticipated problems which may affect costs, industrial and environmental accidents and unexpected shortages or increases in the costs of labour and consumables. The Company may be subject to litigation involving intellectual property, product liabilities or other consumer issues; unanticipated operational and technical difficulties; and uninsured losses or liabilities. Alternative technologies could also cause competition for markets and resources.

3.2 Rights Issue Risk

Existing Shareholder's interests will be diluted if they do not take up their Entitlements.

3.3 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, supply and demand of capital and industrial disruption have an impact on business costs, natural disasters, social upheaval and war may have an impact on prices, operating costs and market conditions generally. Accordingly, Q Ltd's future possible revenue, operations and profitability can be affected by these factors, which are beyond the control of the Company and its Directors.

3.4 Share Market Conditions

There are general risks associated with any investment and the share market. The price of the Company's Shares may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international share markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

3.5 Going Concern

In its 2009 Annual Report, the Company stated that:

"The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2009 the consolidated entity and the Company has an excess of current liabilities over current assets of \$4,303,658 and \$4,193,209. The deficiency is primarily caused by the requirement to recognise the quantum of various vendor earn out payments of an estimated \$1.1 million in shares and \$4.8 million in cash, that will be paid by first half of FY 2010, as a current liability within the balance sheet.

Notwithstanding this deficiency, the financial report has been prepared on a going concern basis on the basis of the following assumptions:-

- (i) The Group continuing to generate sufficient operating cash flows to enable its trading debts to be paid as and when they are payable;
- (ii) The ability of the Group to successfully raise additional debt facilities; and
- (iii) The Company successfully raising additional equity funding.

At the date of this report and having considered the above position, the directors are confident that the Company will be able to continue as going concerns given the following:

- (a) The Consolidated Entity generated operating cash flows of \$1.873 million for the year ended 30 June 2009.
- (b) The Company is in the process of formalising additional debt facilities which will provide at least \$500,000 additional funds to meet present obligations;
- (c) A successful rights issue of \$1 million was made in August 2009. The directors believe that they will be able to raise additional funds in future periods.

Notwithstanding this there is significant uncertainty whether the Company and the Consolidated Entity will continue as going concerns and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company and the consolidated entity not continue as going concerns."

At the date of this Offer Document and having considered the above position as it now applies to the Company and having considered that at the date of this Offer Document, the Company has not yet reached agreement with its bankers to provide debt finance to assist with the funding of the earn-out payments, the directors are confident that the Company will be able to continue as a going concern. As a matter of precaution, the Company has elected to raise sufficient capital through this Offer to satisfy the earn-out liabilities

3.6 Reliance on Key Personnel

Q Ltd's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. To manage its growth, Q Ltd must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Q Ltd has in place service contracts with select employees and provides attractive employment conditions to assist in the retention of key personnel.

3.7 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in it. Other factors not specifically referred to above, may in the future materially affect the financial performance of Q Ltd and the value of the New Shares offered under this Offer Document. Therefore, the New Shares offered pursuant to this Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

4. Action Required by Shareholders

4.1 Acceptance of Entitlement under this Offer Document

Should you wish to accept all of your Rights to subscribe for New Shares, then applications for New Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the application monies (calculated at 8.5 cents per New Share accepted), and make payment for those New Shares in the manner set out below.

4.2 If you wish to take up part of your Rights only

Should you wish to take up only part of your Entitlement, then applications for New Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the application monies (calculated at 8.5 cents per New Share accepted), and make payment for those New Shares in the manner set out below.

4.3 Payment

Paying by cheque/bank draft

Please complete the Entitlement and Acceptance Form and attach a cheque for the amount indicated on the Entitlement and Acceptance Form. If you have misplaced or lost the Entitlement and Acceptance Form, please contact the Company for a replacement form.

The cheque accompanying your completed Entitlement and Acceptance Form must be crossed 'Not Negotiable' and made payable to 'Q Ltd - Share Purchase Account' and delivered on or before the Closing Date to reach the following address:

Q Ltd
GPO Box 2113
Melbourne Vic 3001
AUSTRALIA

by no later than 5.00 pm (EST) on 28 October 2009.

An addressed envelope is enclosed for your convenience. Please ensure correct postage is affixed. Eligible Shareholders in New Zealand should mail their form early to ensure it reaches the Company by the Closing Date.

If delivered by hand, completed forms and Application Monies will also be accepted at the Company's registered office at:

Level 5, Bank House
11 Bank Place
Melbourne, Victoria, 3000

Paying by telegraphic transfer/direct deposit

If you are paying by telegraphic transfer or direct deposit, you must do the following two things:

1. Forward the completed Entitlement and Acceptance Form together with the receipt of direct deposit to reach the following address:

Q Ltd
GPO Box 2113
Melbourne Vic 3001
AUSTRALIA

by no later than 5.00 pm (EST) on 28 October 2009.

Please include your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) on the deposit slip or telegraphic transfer instructions.

An addressed envelope is enclosed for your convenience. Please ensure correct postage is affixed. Eligible Shareholders in New Zealand should mail their form early to ensure it reaches the Company by the Closing Date.

If delivered by hand, completed forms will also be accepted at the Company's registered office at:

Level 5, Bank House
11 Bank Place
Melbourne, Victoria, 3000

AND

2. Ensure that your payment is processed **by no later than 5.00 pm (EST) on 28 October 2009**. The details for telegraphic transfer/direct deposit are:

Bank: Australia and New Zealand Banking Group Ltd
Branch: 388 Collins Street
Melbourne
Victoria 3000
Australia
Bank A/c Name: Q Ltd Share Purchase Account
Bank A/c No.: 8375-34012
BSB No.: 013 165
Swift Code: ANZBAU3M

4.4 If you do not wish to take up your Rights

If you do not wish to accept any of your Rights, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

5. Glossary

In this Offer Document:

Application Monies means the Issue Price multiplied by the number of New Shares applied for.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of Q Ltd as at the date of this Offer Document.

Closing Date means the last day for payment and return of Entitlement and Acceptance Form, being 5.00 pm EST on 9 October 2009.

Company or **Q Ltd** means Q Ltd (ABN 13 083 160 909).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a member of the Board.

Eligible Shareholders means all Shareholders as at the Record Date, other than Non-Qualifying Foreign Shareholders.

Entitlement means the entitlement to subscribe for New Shares pursuant to the Offer at the Issue Price.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form accompanying this Offer Document allowing Shareholders to accept their Entitlement.

EST means Eastern Standard Time.

Existing Shares means Shares issued by the Company on the date of this Offer Document.

Issue Price means 8.5 cents for each New Share.

Listing Rules means the ASX Listing Rules.

New Shares means the Shares to be issued pursuant to the Offer.

Non-Qualifying Foreign Shareholders means all Shareholders whose registered address is not in Australia or New Zealand.

Offer means the pro rata non-renounceable offer of one (1) New Share for every one (1) Share held by Eligible Shareholders on the Record Date at the Issue Price pursuant to this Offer Document.

Offer Document means this document. This document is dated 14 October 2009.

Q Group means Q Limited and its subsidiaries

Record Date means the date on which Entitlements are determined, being 13 October 2009.

Related Bodies Corporate has the meaning given to that term in section 50 of the Corporations Act.

Rights means the rights of Eligible Shareholders to subscribe for New Shares under the Offer.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shareholder means a registered shareholder in the Company.

Shares means fully paid ordinary shares in the Company.

Shortfall means the number of New Shares comprising the difference between the New Shares the subject of the Offer, and the number of New Shares for which valid Entitlement and Acceptance Forms have been received and accepted by Q Ltd by the Closing Date.

Shortfall Shares has the meaning given in section 2.6 of the Offer Document.