Q Ltd
ABN 13 083 160 909

Level 5 Bank House
11 Bank Place
Melbourne Vic 3000 Australia

ACN 083 160 909

Telephone +61-3 9691 4900
Facsimile +61-3 9600 1500
Website www.qxq.com.au

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23 October 2008

Mr Tom R Crage
Managing Director
Hire Intelligence International limited
PO Box 441
WEMBLEY WA 6913

Dear Sir

RE: YOUR LETTER DATED 17 OCTOBER 2008 TO THE SHAREHOLDERS OF Q LTD.

It has been bought to the Board's attention that you have written to our shareholders asking them for their support in defeating Resolutions 8 & 9 at the company's AGM on 30th October 2008. We make the following comments on the Board's reasons for the proposed resolutions:

1) Resolution 8: Consolidation of Capital

The consolidation of capital is being under taken by the Board for several reasons.

a) As you know, shares listed on the ASX are subject to ASX Listing Rule 7.11.2 which requires a minimum bid increment at different levels of share prices. In the case of shares trading at less than 10 cents, (which is the range in which QXQ Shares are currently trading), the minimum increment is 0.1 cents.

   In the case of shares trading between 50 cents and $999 dollars (which is the price range we expect QXQ Shares to trade in if resolution 8 is passed), the minimum bid increment is 1 cent.

   The view that having a share price where the smallest price movement up or down is by way of example,

Price	Minimum bid increment	Minimum price change (%)
at 2¢	0.1¢	5
at 1¢	0.1¢	10
at 0.8¢	0.1¢	12.5

does not lead to an efficient market in the company's shares. Compare this to the equivalent share prices after a 100:1 consolidation:

Price	Minimum bid increment	Minimum price change (%)
at $2.00	1¢	0.5
at $1.00	1¢	1.0
at $0.80	1¢	1.25

b) A low price share ("the penny dreadfuls") appears to encourage the presence of speculative day trading in a company's shares where any movement up (even 0.1 cents) can provide the trader with an immediate significant gain.

As a Board, we try to encourage investors to invest in the Company because of the fundamentals of the underlying business. Those investors tend to be long term shareholders.

We note your comments about the psychology of investors at different price points. It's always interesting to see share prices in different environments. The markets in USA tend to have share prices in the $10-$200 range. Australian shares tend to have share prices in the $0.20 to $30.00 range. Speculative resource exploration shares in Australia tend to have prices at the very low end of the spectrum. Perhaps your point about psychology of investors is more related to speculative markets and the reason you would like a share price in the low cents is one of the reasons why we prefer not to.

2) Resolution 9: Approve New Issue of Ordinary Shares

This form of resolution has been included as a matter of course in Q Ltd's AGMs in 2006, 2007 and 2008.

The shares the subject of this approval may be issued in relation to:

- Potential new acquisitions (at the moment there are no new acquisitions in sight which are likely to result in an issue of shares from this approval). A significant factor is the low value of the company's current share price which would result in excessive dilution.

- Satisfaction of earnout arrangements in respect of earlier acquisitions to the extent of payments to be made during the relevant 3 month period.

The company's preference is, where possible, to issue shares the subject of this approval to conserve the 15% placement right pursuant to ASX Listing Rule 7.1 for use during the rest of the period until the following AGM. If Shareholder approval is provided at the AGM, the Directors will not need to incur the additional cost of seeking Shareholder approval for the issue of the Shares in consideration for an acquisition at a subsequent date.

3) Some of the other matters/questions raised in your letter:

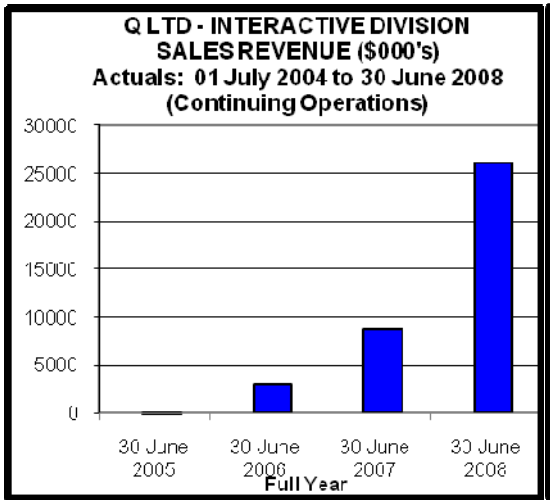
3.1) Performance of the company

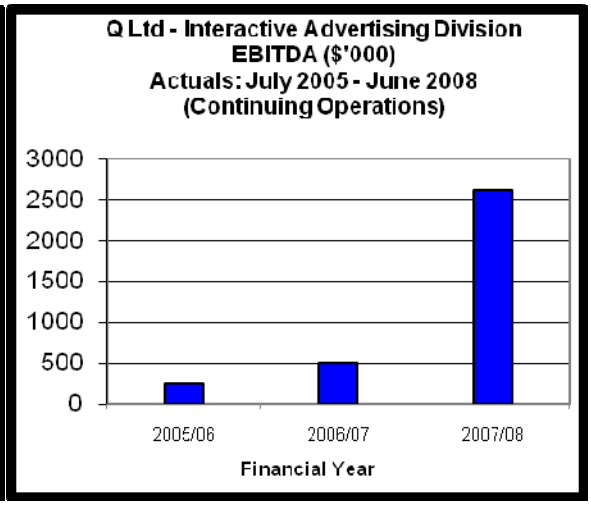
We note your comments regarding the performance of the company in recent years. Your comments ignore that:

a) In June 2004, Q Ltd undertook a de-merger of its subsidiary Jumbuck Entertainment Ltd ("Jumbuck") to "unlock" the value of Jumbuck from within Q Ltd. The de-merger was done by a distribution in-specie of 100% of the shares held by Q Ltd in Jumbuck to the then shareholders of Q Ltd. The financial benefits of that distribution in-specie to the then Q Ltd shareholders are not reflected in the above company performance table. Based on a closing share price of $0.585 for Jumbuck (ASX: JMB) on the day of your letter, the market value of the 34,204,797 shares in Jumbuck which were distributed to Q Ltd shareholders, is in excess of $20 million. During the 4 years since the de-merger, Jumbuck produced profits before interest and tax of in excess of $19 million.

b) Q Ltd started a new business from scratch 3 years ago in the interactive advertising sector. The initial focus has been on growing the business to a critical mass.

The performance of the new business is set out below in graph form:





The board is pleased with the overall progress made during this period although there were some disappointing matters along the way.

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3.2 Underwriting Fees

Underwriting fees were paid to Beconwood Securities Pty Ltd in respect of two (2) underwritten rights issues undertaken during FY2008, one raising $7.2 million in July 2007 and one raising $5.3 million in December 2007. The board is of the view that the underwriting fees are based on arms length rates for this type of transaction.

3.3 Remuneration of Paul Choiselat Managing Director

The 2008 annual report of the company discloses on page 29 that Mr Choiselat's remuneration as a Director and Managing Director of the company consisted of $61,852 made up of:

	$
Salary and fees	52,000
Superannuation	4,680
Share based payment	5,172
Total	61,852

3.4 Services provided by Beconwood

Beconwood Securities Pty Ltd provided a number of services to Q Ltd during FY 2008. They can be summarised as follows:

	$000s
CFO	257
Other accounting fees	47
Company Secretary	52
Administration	41
Acquisition related services	955
Managing Directors fees*	46
Disbursements	99
Total	1,495

*already included at 3.3 above

All of the fees paid to Beconwood Securities were negotiated/reviewed and approved by either the Remuneration Committee or the Acquisition and Finance Committee or recommended by those Committees for approval by the Board.

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3.5 Question specific to Mr Paul Choiselat

"Is he using Q Limited to drive business to his private company?"

Mr Choiselat was 1 of 6 (and from Monday 20th October 2008 1 of 5) directors on the Board of Q Ltd. The other directors of Q Ltd are independent of Mr Choiselat. Your question suggests that Mr Choiselat controls Q Ltd and the Board. As Chairman, I refute that and confirm that the Company operates with a high standard of Corporate Governance and all decisions insofar as they relate to Mr Choiselat are made in compliance with the ASX rules and the Corporations Act.

3.6 Why does such a small company need 6 directors? Surely 3 would suffice.

The Board of Q Ltd consisted of 6 directors until 20th October 2008 at which time Hon Jeffrey Kennett AC retired from the board. (May I add that the timing of his resignation was purely coincidental and totally unrelated to the receipt of your letter on the same day).

We note that your company has a 3 person board and that you appear to have a strong preference for that board structure.

Our board's first preference is to have a composition of the board which complies with the ASX Corporate Governance Principles and Recommendations. We recognise that this can be achieved with a smaller number of directors. Page 14 of the Q Ltd 2008 Annual Report states:

"The Board's composition of 6 Directors is considered an appropriate size for the Company at its present stage of development ...."

The board size and composition is discussed by the Board from time to time.

I do not propose to reply to the rest of your questions at this time because:

- Some of the questions are not clear
- The other questions can probably be dealt with more easily at the AGM.

Given your level of interest in the company I am hoping to meet you at the AGM next week.

Yours sincerely

Kevin V Campbell AM
Chairman

Hire Intelligence

17 October 2008

Dear Fellow Shareholder

Hire Intelligence International Limited is an ASX listed company (HII) owning 27,643,656 shares in Q Limited.

We have grave concerns with respect to certain resolutions for which the Board of Q Limited is requesting shareholder approval and intend voting against them.

We have set out below the resolutions we would like to defeat and request you give serious consideration to whether or not you should support them.

If you choose to vote by proxy we recommend you direct Neil Levin (a General Manager from Hire Intelligence) how to vote on your behalf or name and direct another person of your choosing who will be attending the Annual General Meeting at 1:30 pm on 30 October 2008.

The resolutions of concern are:

- **Resolution 8: Consolidation of Capital**
- **Resolution 9: Approve New Issue of Ordinary Shares**

Resolution 8: Consolidation of Capital

In June 2007 the share price reached 10.0 cents per share while in October 2007 it reached 6.6 cents per share. In September 2008 it traded between 1.0 and 1.7 cents per share. Q Limited proposes consolidating 100 of our ordinary shares into 1 share. That means 100 shares trading at say 1.3 cents each would automatically become 1 share worth $1.30.

The question you need to consider is how easily will one share worth $1.30 increase in value to say $5.00 compared with 100 shares increasing in value to 5.0 cents each. It is our view that the latter will be far easier to achieve.

The second question worth considering is how easily a share valued at $1.30 will be able to lose value compared with 100 shares valued at 1.3 cents each. It is our view that the scope from dropping in value is far greater for the 1 share at $1.30 than the 100 shares at 1.3 cents simply because of the psychological attitude of investors at the different price points.

2/110 Jersey Street Jolimont Western Australia
Telephone (618) 9284 1166
http://www.hire-intelligence.com.au
P O Box 441 Wembley Western Australia 6913
Facsimile (618) 9284 1266
email: hire@hire-intelligence.com.au
HIRE INTELLIGENCE INTERNATIONAL LIMITED ABN 79 098 210 121

Resolution 9: Approve new Issue of Ordinary Shares

Given that Q Limited has traded at a loss before tax each and every year for the past 6 years and given the loss following acquisitions in FY2008 was larger than the losses in the previous 5 years, why should we entrust the Directors with further diluting our shareholdings through more acquisitions before they prove they can effectively manage what we currently own?

Year ending 30 June	2003	2004	2005	2006	2007	2008
Net Loss Before Tax	(696,204)	(343,566)	(384,446)	(340,122)	(192,077)	(1,086,074)

The Board stated in the FY2008 Annual Report under the heading "OUTLOOK" on page 7: "During FY2009 the Group will move away from largely growth by acquisitions to putting more focus on organic growth from within the Group's existing businesses, complemented by potential acquisition growth in selected areas." It is our view that Resolution 9 flies in the face of this statement on outlook. Why do they want to make acquisitions in the next 3 months ahead of a forecast recession?

With respect to each acquisition made during the past 2 years it is worth asking:

- How much was paid over and above the purchase price with respect to each purchase?
- Did Q Limited or the party from whom Q limited made the acquisition pay fees associated with the acquisitions and if they did how much did they pay, in what form was payment made (shares, cash, other), who were the beneficiaries of those payments? How much was paid to each beneficiary? Who was the ultimate beneficiary where the beneficiary was a company?
- Were the services of Q Limited's Chief Executive Officer, Paul Choiselat's private company Beconwood Securities Pty Ltd involved in the acquisition process?
- If it or any other entity associated with Paul Choiselat was involved in any of the acquisitions did they receive any cash, shares or other form of payment for their services?
- If they did receive some form of remuneration exactly what remuneration did they receive? How many shares in Q limited did they receive and from whom? How much cash did they receive and from whom? What other forms of remuneration did they receive and from whom?
- If they did receive remuneration why did Paul Choiselat not perform these duties in his capacity as Managing Director of Q Limited?
- Is he using Q Limited to drive business to his private company?
- **How much of the $1,494,512 (Page 86 of FY2008 Annual Report) shown as paid to Paul Choiselat's company, Beconwood Securities Pty Ltd in FY2008 was paid with respect to acquisitions** and what did the remainder relate to? Can the Company afford to pay massive fees with respect to acquisitions and the other services?
- **Why were placement and underwriting fees of $591,107 (Page 86 of FY2008 Annual Report) paid to Paul Choiselat's company Beconwood Securities in FY2008?** Can the Company afford to pay such fees for placements and underwriting?

Paul Choiselat is Managing Director of TRS Limited, a company quoted on the New Zealand Stock Exchange. Our research indicates that its share price has fallen from a high of NZ$0.30 per share to NZ$0.001 per share. **If he is holding 2 jobs as CEO/Managing Director while running his own business, is he capable of effectively managing the integration of further acquisitions before making our existing operations profitable?**

Does the Directors' reluctance to report on the Company's prospects for FY2009 indicate they expect the business to operate at a loss yet again? Refer to: "Future Developments" and "Business Strategies and Prospects" on page 27 on the Annual Report. If this is the case is it not better that they focus on remedying what they have rather than attempting to acquire further assets?

Other Questions worth asking include:

- Why does such a small company need 6 directors? Surely 3 would suffice. A reduction of 3 directors would save the Company over $150,000 per annum.
- Why is M Halstead, the Sales Director of Q limited, a loss making company, paid $250,000 as salary and fees with total remuneration of $275,948? The salaries and fees are more than double what they were the year before ($140,000). Can the Company afford such an expensive executive?
- What justification is there for increasing May Chuah, the Company Secretary's salary and fees/total remuneration from $205,512 in FY2007 to $309,118 in FY2008?
- Are not Employee Benefits of $11,933,367 excessive relative to Revenue of $26,099,169?
- Are there too many employees, are the employees being overpaid or are they simply not achieving what would normally be expected of them?

We recommend that shareholders consider voting against:

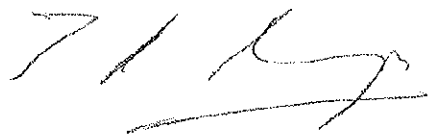
- **Resolution 8: Consolidation of Capital**
- **Resolution 9: Approve New Issue of Ordinary Shares**

We also recommend consideration being given to voting against:

- The appointment of the directors as in our view 6 directors is excessive
- The remuneration of executives

We recommend you attend in person however if you do not intend attending and choose to vote by proxy we recommend you consider directing Neil Levin (a General Manager from Hire Intelligence) how to vote on your behalf or name and direct another person of your choosing who will be attending. **Proxy forms MUST be submitted before 28 October 2008. We recommend you fax your proxy to (within Australia) 1800 783 447 or (from outside Australia) +61 3 9473 2555 as soon as possible. If you appoint Neil Levin please ALSO fax a copy to him on 02 9888 2850.**

Yours sincerely



Tom R Crage
Managing Director
Hire Intelligence International limited