



Group Limited

ON Q GROUP LIMITED (*the Company*)
ACN 009 104 330

NOTICE OF GENERAL MEETING

Notice is hereby given that the annual general meeting of the Company will be held at 677 The Boulevard, Eaglemont, Victoria on 30 November 2006 at 2 pm.

Business

1. To table the financial report of the Company and the related reports of the Directors and auditors for year ended 30 June 2006 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors. The members are also entitled to ask questions of the auditors in accordance with section 250T of the Corporations Act (*Act*) and submit questions in accordance with section 250PA of the Act.
2. To elect the following directors (each by separate resolution):
 - 2.1. *'Mr Dugal McDougall retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election'.*
 - 2.2. *'Mr Peter McDougall retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election'.*
 - 2.3. *'Mr, Stephen Fitzgerald, being eligible, offers himself for election'.*
3. To consider, and if thought fit, to pass the following resolution as an ordinary resolution of the Company:

'That the Company approve any securities issued under the On Q Employee Option Plan as an exception to listing rule 7.1.'
4. To consider, and if thought fit, to pass the following resolution as an ordinary resolution of the Company:

'That the Company appoint Moore Stephens as its auditors as required under section 327B(1)(B) of the Act.'
5. To approve the Remuneration Report for the year ended 30 June 2006.
6. To conduct any other business that may be legally brought forward.



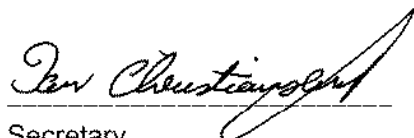
The Company will disregard any vote cast on resolution 3 by:

- a director of the entity (except one who is ineligible to participate in any employee incentive scheme in relation to the entity); and
- an associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

This notice of general meeting should be read in conjunction with the explanatory memorandum attached to this notice, which provides further details on resolutions 2.1, 2.2, 2.3, 3, 4 and 5.

By order of the Board


Secretary

Melbourne: 30 October 2006



Information for shareholders

1. A member entitled to attend and vote is entitled to appoint a proxy.
2. If a member may cast 2 or more votes at a meeting, the member may vote by two proxies.
3. Where more than one proxy is appointed, a member may specify the proportion or number of votes each proxy is appointed to exercise. If the proportion is not specified, each proxy may exercise half of the member's voting rights.
4. Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.
5. If it is desired to appoint two proxies, then an additional proxy form can be obtained by telephoning the Company.
6. A proxy need not be a member of the Company.
7. Proxy forms must be signed by the member or the member's attorney or, if a corporation, executed in accordance with the Corporations Act or signed by an authorised officer or attorney.
8. If the proxy form is signed by a person who is not the registered holder, then the relevant authority must either have been exhibited previously to the Company or be enclosed with the proxy form.
9. For a proxy form to be valid, it must be received by the Company, together with the power of attorney or other authority (if applicable) under which it is signed, or a certified copy of that power or authority not less than 48 hours before the time for holding the meeting, by sending to the Company.
10. For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative as required under the Corporations Act.

The Board has determined that a shareholder's voting entitlement at a meeting will be taken to be the entitlement of that person shown in the register of members at 7pm on 28 November 2006.



EXPLANATORY MEMORANDUM

This explanatory memorandum forms part of the notice of meeting of the Company dated 30 October 2006 and should be read in conjunction with that notice as this memorandum contains important information on resolutions 2.1, 2.2, 2.3, 3, 4 and 5.

Resolutions 2.1, 2.2 and 2.3 – Re-election and election of Directors

Resolutions 2.1 and 2.2

Article 81 of the Company's constitution requires one third of the Directors (except for the Managing Director) to retire each year (by rotation). Mr Dugal McDougall and Mr Peter McDougall retire this year in accordance with article 81 and being eligible, are permitted to seek re-election. Personal particulars of Mr Dugal McDougall and Mr Peter McDougall are set out in the Board of Directors Information included in the Annual Report.

Resolution 2.3

Mr Stephen Fitzgerald is seeking election as a new non-executive Director of the Company. Although the Company has not received a detailed outline of Mr Fitzgerald's relevant experience, Mr Fitzgerald's nomination is attached as annexure 'a' to this explanatory memorandum. The Board has not independently verified the contents of his nomination.

Resolution 3 – On Q Employee Option Plan

1. *Introduction*

ASX listing rule 7.1 prohibits a listed entity, without shareholder approval, from issuing or agreeing to issue securities where the number of securities issued or to be issued represent more than 15% of its issued capital in a 12 month (rolling) period (**15% Limit**).

Listing rule 7.2 sets out a number of exceptions to the 15% Limit.

Listing rule 7.2, exception 9(b) excludes from the 15% Limit, issues made under an employee share scheme if, within 3 years of the date of issue, the holders of ordinary securities have approved the issue of securities under the employee share scheme as an exception to listing rule 7.1.

The terms of Company's employee option plan (**EOP**) were set out in the Company's initial public offering prospectus dated 24 December 2003 and accordingly require re-approval by the shareholders in order that any further issues made under the EOP continue to be an exception to the 15% Limit.



2. **Notice requirements for listing rule 7.2 exemption 9**

It is a requirement of listing rule 7.2 exception 9 that a notice of meeting proposing to seek shareholder approval under this listing rule contain the following information:

- (a) A summary of the terms of the EOP must be provided, which have not changed since their original adoption at the time of the initial public offering:
- (i) Eligibility
 - The Board may issue options under the EOP to any employee of the Company and its subsidiaries, including executive directors and non-executive directors
 - (ii) General Terms of the Options
 - Options will be issued free of charge, unless the Board determines otherwise
 - Each option is to subscribe for one share will rank equally with other shares
 - The options are not transferable
 - Quotation of the options on the ASX will not be sought but the Company will apply to the ASX for official quotation of Shares issued on the exercise of options
 - Options may be granted subject to conditions specified by the board which must be satisfied before the option can be exercised
 - (iii) Exercise of Options
 - Unless the terms on which an option was offered specify otherwise, an option may be exercised at any time after two years from the date it is granted, provided the employee is still employed by the Company
 - An option may also be exercised in special circumstances, that is, at any time within six months after the employee's death, total and permanent disablement, retirement or retrenchment
 - An option lapses upon termination of the employee's employment by the Company and, unless the terms of the offer of the option specify otherwise, lapses five years after the date upon which it was granted
 - (iv) Exercise Price
 - The exercise price per share for an option will be the amount determined by the Board at the time of the grant of the option



(v) New Issues of Securities

- Option holders will not be entitled to participate in any new issue of securities in the Company unless they exercise their options prior to the record date for the determination of entitlements to the new issue

(vi) Bonus Issues

- If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option has been exercised before the record date for the bonus issue

(vii) Rights Issues

- If the Company makes a pro-rata rights issue of shares for cash to its ordinary shareholders, the exercise price of unexercised options is adjusted to reflect the diluting effect of the issue

(viii) Capital Reorganisations

- If there is any reorganisation of the capital of the Company, the number of options and their exercise price will be adjusted in accordance with the Listing Rules

(ix) Limit on Number of Options

- The maximum number of options on issue under the Plan must not at any time exceed 10% of the total number of shares on issue at that time

(b) No options have been issued under the EOP since the date of the last approval.

(c) A voting exclusion statement (see the attached notice of meeting)



Resolution 4 – Appointment of Auditor

Pursuant to section 327B(1), a public company must appoint an auditor to fill any vacancy at each subsequent AGM.

Pitcher Partners, the company's auditors tendered their resignation on 5 June 2006, effective from the date of the annual general meeting.

Following a request from the directors and one of the Company's shareholders pursuant to section 328B(1), Moore Stephens has consented by notice in writing given to the Directors to act as auditor of the Company. As at the date of this Notice of Annual General Meeting, Moore Stephens has not withdrawn such consent.

Moore Stephens is an international chartered accounting firm with offices throughout Australia. The Board having considered a number of reputable accounting firms, has determined that the skills, experience and cost structure of Moore Stephens are most suited to the Company.

Resolution 5- Remuneration Report

The Annual Report for 30 June 2006 contains a Remuneration Report, which sets out the Company's remuneration policy for the Directors. Although it is a requirement of the Corporations Act that a resolution adopting the remuneration report be put to a vote, the vote is only advisory. The vote will not bind the Directors of the Company to make any changes to the Remuneration Report.



Group Limited

Annexure 'a'

Mr Ian Christiansen
Company Secretary
ONQ Group Limited
ACN: 009 104 330
677 The Boulevard
Eaglemont, VIC, 3084
By Facsimile (03) 9459 2048

Dear Mr Christiansen

I wish to nominate as a company director for ONQ Group Limited.

I believe I will bring significant experience to ONQ Group Limited as a sophisticated professional investor in my own right, plus 6 years experience as a manager of private funds for US clients.

My focus over the past 2 years has been primarily on Australian stocks with significant exposure to the small cap end of the market. I have experience in capital raisings, placements, rights issues, mergers and acquisitions.

My experience away from the finance sector includes General Management of a 5 star hotel and current owner of an award winning restaurant and function centre in Sydney which combined provides extensive experience in customer service and General Management.

I am currently working on a joint venture with a US Private Equity Firm in the hospitality industry valuing AUD\$40-\$50 million due to commence mid 2006.

Kind Regards,

Stephen Fitzgerald
3201/129 Harrington Street
The Rocks, NSW, 2000
(02) 92813352
0434 151 251



Group Limited

ON Q GROUP LIMITED

ACN 009 104 330

PROXY FORM

On Q Group Limited
677 The Boulevard
EAGLEMONT VIC 3084

SECTION 1 - MEMBER/S NAME/S AND ADDRESS/ES

I/We _____ of _____

being a member/members of On Q Group Limited ACN 009 104 330 appoint as my /our proxy the persons identified in Section 2 of the form to vote in accordance with the directions given in Section 3 of this form, or if no directions are given, as the proxy thinks fit, at the general meeting of the Company held on Thursday, 30 November 2006 at 2.00 pm and at any adjournment of the general meeting.

SECTION 2 - APPOINTMENT OF PROXY

Please select one of **(A)**, **(B)** or **(C)** below (** for guidance on completion – see Notes):

(A) Insert name of Proxy

_____ of _____

or failing him/her the Chairman to exercise my/our votes for me/us on my/our behalf:

OR

(B) The Chairman to exercise all of my/our votes for me/us on my/our behalf

OR

(C) (Insert name of 1st proxy)

_____ of _____

to exercise (*state number or proportion*) _____

of my/our votes for me/us at the general meeting of the Company

AND (Insert name of 2nd proxy)

_____ of _____

to exercise (*state number or proportion*) _____

of my/our votes for me/us at the general meeting of the Company or, failing one or both of my 1st and 2nd proxies, the Chairman to exercise my/our votes for me/us in respect of the number or proportion of my/our share allocated to the absent proxy/s, as set out above.



SECTION 3 VOTING INSTRUCTIONS

I/We vote on the resolutions as indicated below:

	In Favour	Against	Abstain
2.1 To re-elect Mr. Dugal McDougall as a director of the Company			
2.2 To re-elect Mr. Peter McDougall as a director of the Company			
2.3 To elect Mr. Stephen Fitzgerald as a director of the company			
3. That the Company approve any securities issued under the On Q Employee Option Plan			
4. That the company appoint Moore Stephens as its auditors			
5. To approve the Remuneration Report for the year 30 June 2006			

The resolutions are numbered as in the Notice of General Meeting.

* If you mark the abstain box for a particular item, you are directing your proxy not to vote in that particular item.

Where appointed as Proxy, the Chairman will vote in favour of each resolution in relation to undirected proxies.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy in respect of a resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Signature of Members

Individual Only

Signature

Signature

Date:/...../.....

Companies Only

Sole Director and Sole Company Secretary

Director

Director/Secretary

Company Seal
(if applicable)



Group Limited

Date:/...../.....

NOTES:

How to complete Proxy Form – Section 2 – APPOINTMENT OF PROXY (see Proxy Form)

- To appoint one proxy – COMPLETE (A) and sign above
- To appoint the Chairman only – COMPLETE (B) and sign above.
- To appoint 2 proxies – if you are entitled to cast 2 or more votes at the meeting, you may appoint 2 proxies. If you want to appoint 2 proxies the DELETE (A) and (B) and COMPLETE (C) and sign. If you appoint 2 proxies and don't specify the number or proportion of votes each proxy may exercise, then each will be entitled to exercise half of your votes (with fractions being disregarded).
- A proxy appointed to attend and vote for a member has the same rights as the member to vote (to the extent allowed by this appointment) and to join in the demand for a poll.

How to sign Proxy Form

- This form must be signed by the member or by the member's attorney.
- If a corporation is the member, the proxy form must be signed in accordance with its constitution and the Corporations Act 2001, or by an authorised officer or attorney of the corporation.
- If the proxy is signed by a person who is not the registered shareholder, unless it has previously been noted by the Company, the authority under which the proxy is signed (or a certified copy of the authority) must be lodged together with this proxy form.

Lodgement of Proxy Form

For the proxy appointment to be effective, then not less than 48 hours before the time for holding the meeting being 2.00pm on 30 November, 2006, this Proxy Form, must be received by the Company at its office at 677 The Boulevard, Eaglemont, Victoria, 3084 or by facsimile, if within Australia, at 03 9459 2087 or, International, at +613 9459 2087.