Group Limited

Company Announcement Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

2 October 2007

ON Q GROUP LIMITED ACCOUNTS UPDATE

The Directors of On Q Group Limited advise that the delay in lodging the annual accounts is due to a possible error identified by Moore Stephens, the Company's auditors, relating to the 2005 accounts. If the auditors are correct the adjustment is likely to have a positive effect on the Company's retained earnings.

Given the importance of the matter the directors have requested Moore Stephens to confirm the existence of the error and undertake any adjustments prior to the accounts becoming publicly available.

These matters do not affect the current year's performance.

The Company expects the accounts to be made available to the market this week.

Yours sincerely,

Hal Christiansen
Chairman