

**Company Announcement Office**  
Australian Stock Exchange Limited  
4th Floor, 20 Bridge Street  
SYDNEY NSW 2000

9 October 2007

**ON Q GROUP LIMITED FURTHER UPDATE ON 2007 ACCOUNTS**

Further to the announcement on 2 October 2007, the Directors of On Q Group Limited advise that the possible error in the accounts referred to in the announcement of 2 October 2007, has now been confirmed by the auditors.

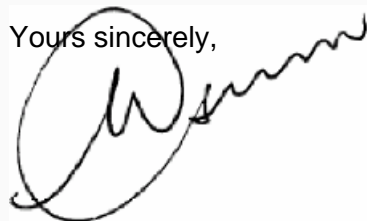
Accordingly, the Company is currently rectifying the 2006 accounts which must be undertaken in order to complete the 2007 accounts. This has resulted in a delay in the Company lodging its financial accounts.

As previously advised, the adjustment is likely to have a positive effect on the Company's retained earnings.

The Directors confirm that the error does not affect the current year's performance.

The Directors will ensure investors are fully apprised on this process.

Yours sincerely,



Hal Christiansen  
Chairman