



QLD ♦ NSW ♦ VIC ♦ ACT

ABN 72 945 540 327

GPO Box 1834, Melbourne Vic 3001

Level 12A 45 William Street, Melbourne Vic 3000

Phone: 03 9613 5523

Fax: (03) 9614 3233

Contact: Susan Morcom

Email: susan.morcom@worrells.net.au

File Number: 952

24 February 2012

ASX
Companies Announcement Office**VIA FACSIMILE: 1300 135 638**

Dear Sir/Madam,

On Q Group Limited (In Liquidation) ("the company")
A.C.N: 009 140 330

I refer to my appointment as liquidator of the above company and previous correspondence regarding same.

Please find attached an update to the shareholders of the company. I request that the update be placed on the ASX website as a company announcement. It would be appreciated if you could send a confirmation of same to my office.

Thank you for your assistance.

Please direct all enquires to Susan Morcom on (03) 9613 5523 or susan.morcom@worrells.net.au.

Yours faithfully,

Per:

A handwritten signature in black ink, appearing to be "MJ", written over a horizontal line.

Matthew Jess
Liquidator

For further information on this file - www.worrells.net.au

Plain Talk ♦ Straight Answers ♦ Fast Results*Liability limited by a scheme approved under Professional Standards Legislation*

Worrells Solvency and Forensic Accountants (Vic) Pty Ltd

ACN: 121 766 658

Directors: Paul Burness (CPA), Matthew Jess (CPA), Ivor Worrell (FCA), Con Kokkinos (CPA)

Update to Shareholders

24 February 2012

ON Q GROUP LIMITED (IN LIQUIDATION)

File Details

Name of Liquidators: Matthew Jess & Paul Burness
Date of Appointment: 28 July 2008 (Voluntary Administrators)
23 December 2008 (Liquidators)
A.C.N. 009 104 330
Directors' Names: Julian Little
Ian Christiansen
Hal Christiansen (deceased)

Introduction

As previously advised, Paul Burness and Matthew Jess of Worrells Solvency and Forensic Accountants were appointed Voluntary Administrators of the company on 28 July 2008 and subsequently as Liquidators of the company by a resolution of the company's creditors on 23 December 2008.

We confirm that we remain appointed as liquidators and that the liquidation is ongoing.

Potential recapitalisation

We had received expressions of interest from a number of parties interested in recapitalising the company via a Deed of Company Arrangement.

We note that we have not been in a position to consider such proposal due to ongoing investigations into voidable transactions to date. Voidable transactions are not available to be pursued in the event the company enters into a Deed of Company Arrangement.

We will be reviewing such proposals in the coming 12 months to determine whether the potential recapitalisation is commercially viable. Shareholders will be contacted in due course process should this become a viable option.

Shareholders please also note that as a result of the above, pursuant to Section 104-145 of the *Income Tax Assessment Act 1997*, I am unable to declare the company's shares worthless at this time.



Matthew Jess
Liquidator