

Q LTD

Q Limited

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ASX Release

21 July 2006

Q Ltd (ASX: QXQ) Acquisition of List Marketing Australasia Pty Ltd

Q Ltd (QXQ) has taken another important step in its strategy of positioning itself as a leader in interactive advertising.

QXQ has entered into an agreement to acquire 100% of the share capital of the list marketing group, List Marketing Australasia (LMA). It is anticipated that completion of the acquisition will occur before the end of August 2006, subject to completion of due diligence and funding approval by shareholders in a General Meeting to be held in August. LMA is expected to achieve over \$1.5 million in revenue for the 2006-07 financial year. This acquisition will be immediately EPS positive for QXQ.

LMA is a leading list broker, providing services in the form of sourcing both consumer and business mailing lists for a broad cross-section of advertising agencies and direct clients wishing to target specific customers or business groups with direct mail, fax, email or telemarketing communications.

"These services are complementary to the existing 3Di business operated by QXQ and with this transaction we are strengthening our breadth of service offerings to an enlarged common client base, for the benefit of the whole Group," commented QXQ's CEO, Andrew Koo.

QXQ's Chairman, Kevin Campbell said, "We are delighted to add LMA to the current suite of offerings by the Q Group. We are providing simplicity of choice and a seamlessness of service for advertising agencies and direct clients alike. Our services now span both traditional marketing methods across to interactive marketing services offered by 3Di."

Management & Business Changes

LMA brings to QXQ a capable management team with longstanding relationships with advertising agencies and direct clients built over the last 6 years. It is intended that LMA continue business as normal operating under the LMA business name and that the existing LMA management team remain to maximise the available opportunities within QXQ. Employment agreements will be entered into with the principals of LMA, Ian Wolters and Janine Martin who together have over 24 years experience in the industry.

The Board of QXQ welcomes Ian and Janine and looks forward to working with them on the exciting opportunities ahead for LMA within the QXQ Group. Ian Wolters, one of the founders of LMA said, "We've been impressed by the QXQ management team and their professionalism shown in conducting the acquisition. We think being part of QXQ will allow us to pursue our growth objectives with a Group that has a very clear strategic vision within the interactive advertising market."

Transaction Detail

The purchase price comprises an upfront payment of approximately \$900,000 in cash, and a deferred consideration tied to the future earnings of LMA through to 31 March 2008. The deferred consideration is to be paid 50% in cash and 50% by the issue of ordinary QXQ shares calculated in accordance with a VWAP formula. The shares will be restricted by a voluntary escrow for 12 months from the date of issue.

Page 1 of 2

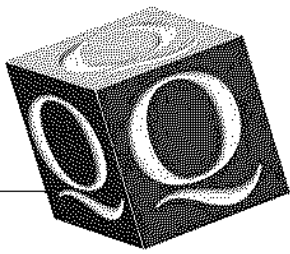
OPERATING UNITS

QDi Direct Press

Project Services Australia Pty Ltd

3 Dimension interactive Pty Ltd





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This transaction fits within the acquisition based growth strategy presented to shareholders at QXQ's last AGM. It is the first in 2006 to be brought to a signed agreement stage. The Board believes it will be able to advise shareholders of others in the near future.

Q Ltd's stated strategy is to acquire profitable and cash flow positive companies or businesses with a strong client base that will add value to the existing interactive and printing services offered to advertising agencies and other marketers. The acquisition will enable Q Ltd to take advantage of the wider Australasian market currently serviced by LMA and build shareholder value over time. The LMA acquisition follows the previous acquisition of 3Di.

A notice of general meeting with an appropriate explanatory memorandum will be mailed to shareholders shortly in relation to the funding approval for this acquisition.

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About Q Ltd

Q Ltd (ASX: QXQ) is a holding company building its presence as a leading provider of interactive media advertising. Subsidiaries are engaged in providing interactive online advertising, direct mail campaign services and digital printing. 3Di for example, a division of Q Ltd, now works with Australia's top 50 advertising agencies and their respective clients, offering a broad range of interactive marketing and communication services.

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