

Q Ltd

ABN 13 083 160 909

Retail Rights Issue Offer Document

For

An accelerated non-renounceable pro-rata offer of New Shares at an issue price of 2.3 cents each on the basis of one (1) New Share for every one (1) Share held on the Record Date and an offer to apply for Additional Shares to raise approximately \$1.52 million.

The Offer is not underwritten

Important Notice

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 9 May 2011 and closes at 5:00 pm EST on 27 May 2011.

Valid Entitlement and Acceptance Forms must be received before the Closing Date.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

CONTENTS

	<u>Page No.</u>
MD/CEO Letter	3
Section 1 - Important Information	4
Section 2 - Details of the Offer	4 - 11
Section 3 - Risk Factors	11 - 12
Section 4 - Action Required by Shareholders	12 - 15
Section 5 - Glossary	16 - 17



9 May 2011

Dear Shareholder,

ACCELERATED PRO RATA NON-RENOUCEABLE RIGHTS ISSUE OFFER

You are invited to participate in an accelerated pro rata non-renounceable offer to raise approximately \$1.52 million for Q Ltd. The offer to you is made on the basis of one (1) new Share for every one (1) existing Share held by you at the Record Date of 5 May 2011 at an issue price of 2.3 cents and an offer to apply for additional Shares, and comprises an institutional entitlement offer and this retail entitlement offer (**Offer**).

The funds to be raised from this issue will be used by the Company in the development of digital assets, in the reduction of trade creditors, as working capital and to pay for the expenses of the Offer.

Q Ltd is a leading Australasian group of companies that provide services within the digital advertising and marketing sector.

The Q Ltd Group is engaged in providing interaction between a client's brand and its target audience via websites, online campaigns, search engine marketing, performance marketing, permission marketing and data marketing.

Q Ltd subsidiary companies are specialists within their respective specific sectors of the digital marketing and advertising industry and are leaders providing services to marketers in targeting, capturing and interacting with consumers (B2B and B2C) via digital channels.

Your Retail Rights Issue Offer Document containing full details of the Offer, an Entitlement and Acceptance Form and an envelope addressed to the Company are enclosed with this letter. These are important documents and I request that you read them carefully. The timetable for the Offer is set out in the Offer Document.

Should you have any questions about the action you should take please consult your stockbroker or professional adviser.

The offer is at a discount to the closing share price of 4 cents per share on 29 April 2011.

The Offer is important and requires your immediate attention. The closing date for acceptances and payment is 5.00 pm EST on Friday, 27 May 2011.

Yours faithfully,

A blue ink handwritten signature, appearing to read 'Paul G Choiselat', written over a light blue horizontal line.

Paul G Choiselat
MD/CEO

1. Important Information

1.1 Introduction

Q Ltd is making an accelerated pro rata non-renounceable offer of New Shares to Eligible Shareholders of Q Ltd on a one for one basis at an issue price of 2.3 cents per New Share to raise approximately \$1.52 million. (All references to currency, dollars or cents in this document are to Australian currency.) Eligible Shareholders may also apply for Additional Shares (which are Shares not taken up by Eligible Shareholders) in excess of their Entitlement.

The Offer comprises an accelerated institutional component to Eligible Shareholders who are institutional investors (**Institutional Entitlement Offer**) and a Retail Entitlement Offer to Eligible Shareholders.

This is an important document and requires your immediate attention. It should be read in its entirety.

The Offer is being made under section 708AA of the Corporations Act as notionally modified by ASIC Class Order 08/35. This document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that an investment in Q Ltd involves many risks which may be higher than risks associated with investments in other companies. Investors should consider the investment in Q Ltd speculative. If you have any questions about what to do or whether to accept the Offer you should consult your professional adviser without delay.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by Q Ltd in connection with the Offer.

1.2 Eligibility

Applications for the New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer.

2. Details of the Offer

2.1 Offer

Q Ltd is making an accelerated pro rata non-renounceable offer of approximately 67,788,036 New Shares each at an issue price of 2.3 cents to Eligible Shareholders on the basis of one (1) New Share for every one (1) Existing Share held on the Record Date (**Offer**).

The Offer comprises the accelerated Institutional Entitlement Offer to Eligible Shareholders who are institutional investors and the Retail Entitlement Offer under this Offer Document.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

The Offer is not underwritten.

Participants of the Q Ltd Share Plan are entitled to participate in the Offer in accordance with the Q Ltd Share Plan Rules. Refer section 2.6.2 of this Offer Document.

Q Ltd will accept Entitlement and Acceptance Forms until 5.00 pm EST on the Closing Date being 27 May 2011 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer. Unless you are an institutional investor and have applied under the Institutional Entitlement Offer, you may accept the Offer only by applying for Shares on a personalised

Entitlement and Acceptance Form sent with this Offer Document. If you have misplaced or lost your Entitlement and Acceptance Form, please contact the Company for a replacement form.

You may accept for all or only part of your Entitlement. You may also apply for Additional Shares in accordance with section 2.2.

Acceptance of a completed Entitlement and Acceptance Form by Q Ltd creates a legally binding contract between the applicant and Q Ltd for the number of New Shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the applicable law of Victoria.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

New Shares offered by this Offer Document are expected to be issued, and security holding statements dispatched, on the date specified in the timetable.

It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

2.2 Additional Shares

An Eligible Shareholder may also apply for Additional Shares. The Company will issue Additional Shares to those Eligible Shareholders who apply for Additional Shares on a pro rata basis out of the Shortfall. Additional Shares will not be issued to Eligible Shareholders where to do so would involve a breach of the Corporations Act or any applicable law.

The Directors reserve the right to place any Shares which are not subscribed for by Eligible Shareholders under the Offer at their discretion within two months after the Closing Date on the same terms as those New Shares being offered to Eligible Shareholders or otherwise within an exemption in section 708 of the Corporations Act.

2.3 Purpose of the Offer

Q Ltd will raise net proceeds of approximately \$1.52 million through the Offer, after deducting expenses of the Offer of approximately \$40,000 as set out below (assuming the Offer is fully subscribed or the Shortfall (if any) is placed by the Company). The net proceeds raised will be used by the Company as working capital, to invest in further development of digital assets and to reduce trade creditors. Any shortfall in the amount to be raised will proportionally reduce the amount allocated to the development of digital assets and availability of working capital.

Digital Asset Development

The development of digital assets is a key part of Q Ltd's strategy and underpins its plans for increased revenue and profitability through the sale of higher margin media products and services. The development of digital assets can be broken down into three main areas of investment and activity:

- 1) Acquisition of Quality Members
- 2) Retention of Active Members
- 3) Development of New Media Products

Acquisition of Quality Members

Q Ltd has launched a new membership portal called Great Sites which incorporates the original Great Australian Survey offering. A focus has been placed on technology and marketing channels that deliver thousands of quality new members every month. To meet the market's demand for new members and fresh data more investment is required to fund

these member acquisition activities fully. The quality controls and conversion tools now in place with the new site will make this more effective than ever before expanding the types of marketing the site can afford to use. Q Ltd plans to fully capitalise on this opportunity.

Retention of Active Members

Once acquired it is vital to engage with members and keep them active for as long as possible. Great Sites revenue growth is ultimately derived from its ability to generate clicks and conversions for its advertisers. To achieve incremental growth of active members month on month Q Ltd will be developing a range of new services for its members, these include:

- Social Media Integration
- Mobile Site & Apps
- 1-Day Deal & Group Buying Alerts
- Shopping Portal
- Competition Portal
- Games Portal

Development of New Media Products

Advertiser's requirements and the digital landscape continue to evolve presenting both challenges and opportunities. Q Ltd will continue to develop its media products and services to address challenges and capitalise on opportunities. Good progress has already been made with the development of Q Ltd's performance offering TPN and its new membership portal Great Sites. Q Ltd will build on both of these strong foundations and, through the development of new technology, expand its offering. Current and future media initiatives include:

- Performance Email
- Co-registration Ad Network
- Lead Generation Services
- Watch & Win (video ads)
- Research Services
- Profile & Behavioural Reporting, Targeting & Optimisation
- Tools for Publishers (ad server)

The expenses of the Offer are anticipated to be as follows:

<u>Expenses:</u>	<u>\$</u>
Legal fees	5,000
ASX listing fees	6,000
Registry fees	18,000
Printing and postage	6,000
Contingency	<u>5,000</u>
Total expenses	<u>40,000</u>

The proceeds of the Offer are expected to be used as follows:

	<u>\$</u>
Expenses of the Offer	40,000
Development of digital assets	570,000
Reduction of trade creditors	300,000
Working capital	<u>650,000</u>
Total	<u>1,560,000</u>

2.4 Timetable

ASX announcement of the Rights Issue, lodge Appendix 3B, Cleansing Notice under Section 708AA(2)(f) Request for trading halt after market closes Institutional Entitlement Offer opens	29/04/11
Notice to Optionholders	02/05/11
Trading halt begins	02/05/11
Institutional Entitlement Offer (closes at 5.00pm EST)	03/05/11
Announce results of Institutional Offer (before market opens EST) Lodge sample Offer Document with ASX	04/05/11
Trading halt lifted	04/05/11
Existing Shares quoted on "ex" basis	04/05/11
Record Date for determining entitlements	05/05/11
Institutional Offer Settlement Date	06/05/11
Retail Offer Opens - Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders, Company announces that dispatch has been completed	09/05/11
Allotment under Institutional Entitlement Offer	11/05/11
Trading commences in new Shares issued under Institutional Entitlement Offer	12/05/11
Closing Date of Retail Offer (5.00pm EST)*	27/05/11
Announce results of Retail Offer/under subscriptions	30/05/11
Anticipated date for the issue of the new Shares dispatch of holding statements **	02/06/11
Commencement of trading of new Shares **	03/06/11

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the closing date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only.

2.5 No Rights trading

As the Offer is non-renounceable Eligible Shareholders cannot sell or transfer all or any part of their Rights to subscribe for New Shares.

2.6 Entitlement of Shareholders

2.6.1 Eligible Shareholder

Each Eligible Shareholder who is registered as the holder of Shares at 5:00 pm (EST) on the Record Date is entitled to participate in the Offer. The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Offer Document.

You may accept all, or only part, of your Entitlement by completing the Entitlement and Acceptance Form and returning it in accordance with the instructions set out on the reverse of that form prior to the Closing Date. If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your rights to participate in the Offer will lapse and the New Shares not taken up by you will form part of the Shortfall. You may also apply for Additional Shares as set out in section 2.2.

2.6.2 Participant of the Q Ltd Share Plan

The Company established a long term employee incentive plan called the Q Ltd Share Plan (the **Plan**) on 30 November 2010.

The Plan is part of the Company's remuneration strategy and is designed to align the interests of the Company's management and Shareholders, and assist the Company in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance, with conditions of vesting under the Plan, encouraging those executives to remain with the Company and contribute to its future performance.

The Company has appointed a trustee for the Plan, Q Share Plan Pty Ltd (**Trustee**), for the purpose of both acquiring and delivering shares to employees to satisfy obligations under the Plan and holding shares on behalf of employees pursuant to the terms and conditions on which the shares were offered. Upon meeting the vesting conditions, the Company will deliver the shares to the employee.

Pursuant to the terms and conditions of the Plan, a participant to the Plan (**Plan Participant**) is entitled to any rights which accrue to shares held by the participant and may accept the rights and sell or otherwise deal with those rights in accordance with the Plan or Offer.

Accordingly, all Plan Participants are eligible to participate in the Offer.

The Trustee will notify each Plan Participant of their Entitlement in the Offer.

A Plan Participant may accept all, or only part, of their Entitlement by notifying the Trustee prior to the Closing Date. Any Entitlement not taken up by Plan Participants by the Closing Date will either be taken up by the Trustee on behalf of the Plan or will form part of the Shortfall and their rights to participate in the Offer will lapse.

As a result of this Offer, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

In determining Entitlements, any fractional entitlements have been rounded up to the nearest whole number of Shares.

It is the responsibility of applicants to determine their allocation prior to trading in the New Shares. The sale by applicants of New Shares prior to the receipt of a holding statement is at the applicant's own risk.

2.7 Terms and Conditions of existing unlisted Options

Holders of existing unlisted Options may participate in this Offer by exercising any or all of their Options prior to the Record Date. As at the date of this Offer Document, there are 138,834 unlisted Options on issue (each entitling the holder to acquire 1 share), with all of the Options currently capable of being exercised. If all of these Options were exercised before the Record Date, then an additional 138,834 new Shares would be issued upon the exercise of these Options. In addition, if all of the Entitlements in respect of those new Shares were taken up, an additional 138,834 new Shares would be issued under this Offer raising a further \$3,193.00.

The exercise price of the unlisted Options on issue ranges between \$2.90 and \$5.03 per Option. The Company does not expect that option holders are likely to exercise their Options prior to the Record Date in order to participate in the Offer.

2.8 ASX waivers

In order to conduct the equity raising, the Company has sought certain waivers from the Listing Rules. ASX has granted the Company waivers from Listing Rules 3.20, 7.40, 7.1 and 10.11 subject to a number of conditions including that:

- (a) all Shareholders who are believed by the Company to be an Institutional Shareholder are offered their pro-rata Shares of the Institutional Entitlement Offer unless Listing Rule 7.7.1 would permit the Shareholder to be excluded from the Entitlement Offer and the Retail Entitlement Offer;
- (b) Institutional Shareholders and foreign excluded investors who sell down their holding prior to the record date have their pro rata allocations reduced accordingly;
- (c) New Shares are offered under the Institutional Entitlement Offer and Retail Entitlement Offer at the same price and same ratio;
- (c) related parties do not participate beyond their pro-rata Shares other than under bona fide underwriting arrangements that are disclosed to the market. There is no such underwriting agreement in this instance.

The waivers also provide that:

- (a) the Company may ignore changes in security holdings which occur after the implementation of the trading halt in the Company's securities (other than registrations of transactions which were effected through ASX Trade before the implementation of the trading halt); and
- (b) in respect of security holdings registered in the name of a nominee the following will apply.
 - (i) the nominee shall be treated as a separate security holder in respect of securities held for each of one or more Institutional Shareholders, and securities held for persons other than Institutional Shareholders (and accordingly, may receive both Institutional Offers in respect of securities held as nominee for Institutional Shareholders and Retail Offers in respect of securities held as nominee for other persons); and
 - (ii) Institutional Offers will be treated as being made to the nominee, even where made directly to the Institutional Shareholder for whom it holds.

2.9 ASX quotation

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer within 7 days of the Offer Document. If permission is not granted by ASX for the official quotation of the New Shares to be issued under the Offer before the expiration of 3 months after the date of this Offer Document, Q Ltd will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable.

2.10 Overseas shareholders

No Offer will be made to Shareholders resident outside Australia and New Zealand.

The Company considers that it is unreasonable to make offers to the Company's Shareholders who have a registered address outside of Australia or New Zealand (ie. Non-Qualifying Foreign Shareholders) having regard to the number of Shareholders outside Australia and New Zealand; the number and value of securities each Non-Qualifying Foreign Shareholder would be offered; and the cost of complying with the legal requirements in the places of those Non-Qualifying Foreign Shareholders.

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders resident in New Zealand should consult with their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their entitlements under the Offer.

2.11 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 (ASTC), a wholly-owned subsidiary of the ASX, operates CHES in accordance with the ASX Listing Rules and Securities Clearing House Business Rules.

Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time, however there may be a charge associated with the provision of this service.

2.12 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. Q Ltd, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

2.13 Privacy

Q Ltd collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each applicant agrees that Q Ltd may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, Q Ltd's Related Bodies Corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, Q Ltd may not be able to accept or process your application.

An applicant has a right to gain access to the information that Q Ltd holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.14 Enquiries

If after reading this Offer Document, you have any questions about any aspect of an investment in Q Ltd, please contact your professional adviser. Any administrative questions can also be directed to Jeff Ewing, the CFO/Company Secretary, on (+61 2) 9339 6741 or jeff.ewing@qxq.com.au.

3. Risk Factors

Activities in Q Ltd and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. Q Ltd and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the specific risk factors which shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company.

Shareholders should carefully consider the following factors:

3.1 Operating

The operations of Q Ltd may be affected by various factors, including operational and technical difficulties encountered in interactive advertising, difficulties in its information technology infrastructure, unanticipated problems which may affect costs, industrial and environmental accidents and unexpected shortages or increases in the costs of labour and consumables. The Company may be subject to litigation involving intellectual property, product liabilities or other consumer issues; unanticipated operational and technical difficulties; and uninsured losses or liabilities. Alternative technologies could also cause competition for markets and resources.

3.2 Rights Issue Risk

Existing Shareholder's interests will be diluted if they do not take up their Entitlements.

3.3 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, supply and demand of capital and industrial disruption have an impact on business costs, natural disasters, social upheaval and war may have an impact on prices, operating costs and market conditions generally. Accordingly, Q Ltd's future possible revenue, operations and profitability can be affected by these factors, which are beyond the control of the Company and its Directors.

3.4 Share Market Conditions

There are general risks associated with any investment and the share market. The price of the Company's Shares may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international share markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

3.5 Going Concern

In its Half Year to 31 December 2010 report, the Company stated that:

“The half-year financial report has been prepared on the going concern basis which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

For the reasons described below, there is a significant uncertainty whether the consolidated entity will continue as a going concern:

- (i) For the half-year ended 30 December 2010, the consolidated entity reported a loss after income tax of \$419k.*
- (ii) As at 31 December 2010, the consolidated entity has an excess of current liabilities over current assets of \$1,145k and a deficiency in net tangible assets of \$401k.*

Notwithstanding the above, the financial report has been prepared on a going concern basis on the basis of the following assumptions:-

- 1) Increased cash flow from operations through the continued management and reduction in costs.*
- 2) Increased cash flow as a result of the operational restructure that was completed in June and December 2010; and*
- 3) An increase in demand for existing and new services, and the positive impact of both on profitability.*

At the date of this report and having considered the above position, the directors are confident that the consolidated entity will be able to continue as a going concern.”

Having considered the above position and as a matter of prudence, the Company has decided to issue additional equity to improve its working capital, to provide additional funds for the development of digital assets and to reduce trade creditors.

3.6 Reliance on Key Personnel

Q Ltd's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. To manage its growth, Q Ltd must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Q Ltd has in place service contracts with select employees and provides attractive employment conditions to assist in the retention of key personnel.

3.7 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in it. Other factors not specifically referred to above, may in the future materially affect the financial performance of Q Ltd and the value of the New Shares offered under this Offer Document. Therefore, the New Shares offered pursuant to this Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

4. Action Required by Shareholders

4.1 Acceptance of Entitlement under this Offer Document

Should you wish to accept all of your Rights to subscribe for New Shares, then applications for New Shares under this Offer Document must be made on the Entitlement and

Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the application monies (calculated at 2.3 cents per New Share accepted), and make payment for those New Shares in the manner set out below.

Eligible Shareholders may also apply for Additional Shares. If any acceptance exceeds the Entitlement, the Directors may deem that acceptance to be acceptance for the full Entitlement and an application for Additional Shares.

If you provide insufficient funds to meet the Application Monies due to up your Entitlement your Application may be rejected.

4.2 If you wish to apply for Additional Shares

If you wish to apply for Additional Shares, follow the instructions on the Entitlement and Acceptance Form and specify the total number of Shares you wish to apply for.

You must provide the Application Monies by cheque, bank draft or telegraphic transfer for the total number of Additional Shares you wish to apply for. There is no guarantee that you will receive Additional Shares. In the event of a Shortfall, Additional Shares will be allocated and issued to those Eligible Shareholders who apply for Additional Shares on a pro rata basis. Additional Shares will not be issued to Eligible Shareholders where to do so would involve a breach of the Corporations Act or any applicable law. If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest) by way of cheque to your registered address.

The Directors reserve the right to place any Shortfall Shares which are not subscribed for by Eligible Shareholders at their discretion within two months after the Closing Date.

4.3 If you wish to take up part of your Rights only

Should you wish to take up only part of your Entitlement, then applications for New Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the application monies (calculated at 2.3 cents in Australian currency per New Share accepted), and make payment for those New Shares in the manner set out below.

4.4 Payment

Paying by cheque/bank draft

Please complete the Entitlement and Acceptance Form and attach a cheque in Australian currency for the amount indicated on the Entitlement and Acceptance Form. If you have misplaced or lost the Entitlement and Acceptance Form, please contact the Company for a replacement form.

The cheque accompanying your completed Entitlement and Acceptance Form must be crossed 'Not Negotiable' and made payable to '**Q Ltd - Share Purchase Account**' and delivered on or before the Closing Date:

By post to: Q Ltd
GPO Box 2113
MELBOURNE VIC 3001
AUSTRALIA

OR

By hand to: Q Ltd
Level 5, Bank House
11 Bank House
MELBOURNE VIC 3000
AUSTRALIA

OR

Q Ltd
Level 2
181 Riley Street
DARLINGHURST NSW 2010
AUSTRALIA

by no later than 5.00 pm (EST) on 27 May 2011.

An addressed envelope is enclosed for your convenience. Please ensure correct postage is affixed. Eligible Shareholders in New Zealand should mail their form early to ensure it reaches the Company by the Closing Date.

Paying by telegraphic transfer/direct deposit

If you are paying by telegraphic transfer or direct deposit, you must do the following two things:

1. Forward the completed Entitlement and Acceptance Form together with the receipt of direct deposit:

By post to: Q Ltd
GPO Box 2113
MELBOURNE VIC 3001
AUSTRALIA

OR

By hand to: Q Ltd
Level 5, Bank House
11 Bank House
MELBOURNE VIC 3000
AUSTRALIA

OR

Q Ltd
Level 2
181 Riley Street
DARLINGHURST NSW 2010
AUSTRALIA

OR

By facsimile to: +61 3 9600 1500

by no later than 5.00 pm (EST) on 27 May 2011.

Please include your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) on the deposit slip or telegraphic transfer instructions.

An addressed envelope is enclosed for your convenience. Please ensure correct postage is affixed. Eligible Shareholders in New Zealand should mail their form early to ensure it reaches the Company by the Closing Date.

AND

2. Ensure that your payment is processed **by no later than 5.00 pm (EST) on 27 May 2011**. The details for telegraphic transfer/direct deposit are:

Bank: Australia and New Zealand Banking Group Ltd
Branch: 388 Collins Street
Melbourne
Victoria 3000
Australia
Bank A/c Name: Q Ltd Share Purchase Account
Bank A/c No.: 8375-34012
BSB No.: 013 165
Swift Code: ANZBAU3M

4.5 If you do not wish to take up your Rights

If you do not wish to accept any of your Rights, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

5. Glossary

In this Offer Document:

All references to currency, dollars, \$, or cents in this document are to Australian currency.

Additional Shares means Shares that Eligible Shareholders may apply for under section 2.2 of this Offer Document in excess of their Entitlement.

Application Monies means the Issue Price multiplied by the number of New Shares applied for.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Closing Date means the last day for payment and return of Entitlement and Acceptance Form, being 5.00 pm EST on 27 May 2011.

Company or **Q Ltd** means Q Ltd (ABN 13 083 160 909).

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of Q Ltd.

Eligible Institutional Shareholder means an Institutional Shareholder to whom Listing Rule 7.7.1(a) does not apply and who has successfully received an offer under the Institutional Entitlement Offer.

Eligible Shareholders means all Shareholders as at the Record Date, other than Non-Qualifying Foreign Shareholders.

Entitlement means the entitlement to subscribe for New Shares pursuant to the Offer at the Issue Price.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form accompanying this Offer Document allowing Shareholders to accept their Entitlement.

EST means Eastern Standard Time.

Existing Shares means Shares issued by the Company on the date of this Offer Document.

Ineligible Entitlement Shareholder means an Institutional Shareholder:

- (a) who has, or the person for whom it holds Shares has, a registered address outside Australia and New Zealand and any other jurisdictions as the Company decides;
- (b) to whom Listing Rule 7.7.1(a) applies;
- (c) who in the absence of Listing Rule 7.7.1(a) would have been an Eligible Institutional Shareholder; and
- (d) that the Company determines will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.

Institutional Entitlement Offer means the offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer as described in section 1.1.

Institutional Shareholder means a person:

- (a) in Australia, who is an "exempt investor" as defined in section 9A(5) of the Corporations Act as inserted by ASIC Class Order 08/35; or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgment of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which the Company is willing to comply with such requirements).

Issue Price means 2.3 cents (in Australian currency) for each New Share.

Listing Rules means the ASX Listing Rules.

New Shares means the Shares to be issued pursuant to the Offer.

Non-Qualifying Foreign Shareholders means all Shareholders whose registered address is not in Australia or New Zealand.

Offer means the accelerated pro rata non-renounceable offer of one (1) New Share for every one (1) Share held by Eligible Shareholders on the Record Date at the Issue Price pursuant to this Offer Document.

Offer Document means this document. This document is dated 9 May 2011.

Plan Participant means a participant in the Q Ltd Share Plan.

Q Ltd Share Plan or **Plan** means the employee long term incentive plan established by the Company on 30 November 2010.

Record Date means the date on which Entitlements are determined, being 5 May 2011.

Related Bodies Corporate has the meaning given to that term in section 50 of the Corporations Act.

Retail Entitlement Offer means the offer of New Shares to Eligible Shareholders under the Entitlement Offer described in this Offer Document.

Rights means the rights of Eligible Shareholders to subscribe for New Shares under the Offer.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shareholder means a registered shareholder in the Company.

Shares means fully paid ordinary shares in the Company.

Shortfall means the number of New Shares comprising the difference between the New Shares the subject of the Offer, and the number of New Shares for which valid Entitlement and Acceptance Forms have been received and accepted by Q Ltd by the Closing Date.

Trustee means Q Share Plan Pty Ltd, ACN 147 285 685, the trustee for the Q Ltd Share Plan.

**Q Ltd ABN 13 083 160 909
ENTITLEMENT AND ACCEPTANCE FORM**

Non-renounceable Retail Entitlement Offer closing 5.00 pm (EST) on 27 May 2011.

*Registrar's Use Only
Broker or Dealer's Stamp*

Non-renounceable Entitlement Offer of one New Share for every one Existing Share registered and entitled to participate as at the Record Date at an issue price of 2.3 cents per New Share.

Securityholder Reference Number (SRN)

IMPORTANT:

You should read the Offer document carefully before completing the Entitlement and Acceptance Form.

This document is important and requires your immediate attention. If you do not understand it, or are in doubt as to how to deal with it, you should consult your stockbroker or professional adviser immediately.

Receipt of this form by **5.00 pm (EST) on Friday, 27 May 2011** with your payment will constitute acceptance in accordance with the terms of the Offer dated 9 May 2011.

Fill out this Entitlement and Acceptance Form if you want to apply for New Shares in Q Ltd.

Follow instructions overleaf to complete this Entitlement and Acceptance Form. Print clearly in capital letters using black or blue ink.

A. Entitlement

Existing ordinary Shares entitled to participate at Record Date on 5 May 2011	Entitlement to New Shares on a one for one basis	Amount payable on full acceptance at 2.3 cents per New Share	Entitlement number

To be completed by each Shareholder:

B.	Entitlement number of New Shares accepted (From A above)	
C.	Number of Additional Shares applied for	
D.	Amount enclosed at 2.3 cents per New Share	\$

E. Declaration

I/We apply for Shares in Q Ltd at 2.3 cents per New Share as detailed above and enclose:

- my/our cheque/bank draft for the amount shown being payment of 2.3 cents per New Share; or
- confirmation of payment by telegraphic transfer or direct deposit being payment of 2.3 cents per New Share.

I/we authorise you to register me/us as the holder(s) of the New Shares allotted to me/us.

By lodging this Entitlement and Acceptance Form, I/We declare that this Application is completed and lodged according to the Offer and the declarations/statements on the reverse of this Entitlement and Acceptance Form and declare that all details and statements made by me/us including the declarations on the reverse of this form are complete and accurate. I/We agree to be bound by the Constitution of Q Ltd and agree to the issue to me/us of the number of New Shares which may be issued to me/us pursuant to the Offer.

F. Payment Details

Lodge your Entitlement and Acceptance Form as soon as possible and either:

- Pin your cheque to the form. Cheques should be crossed "Not Negotiable" and made payable to "**Q Ltd - Share Purchase Account**". Please complete the following details:

Drawer	Bank	BSB	Account	Amount of Cheque

- Pin your confirmation of payment by direct debit/telegraphic transfer into the Q Ltd – Share Purchase Account

G. Contact Details

Name	Contact number (business hours)	Email address

HOW TO COMPLETE THE ENTITLEMENT AND ACCEPTANCE FORM

Please complete all relevant sections of the Entitlement and Acceptance Form using **BLOCK LETTERS**

- A. Details of your entitlement based on your Shareholding as at the Record Date are shown in this section.
- B. Entitlement acceptance – you can apply to accept either all or part of your Entitlement. Enter in Box B the number of New Shares you wish to accept from your Entitlement. To accept your Entitlement in full, write in Box B the number of New Shares shown in Box A as your Entitlement. To accept part of your Entitlement, write in Box B the number of New Shares for which you wish to apply.
- C. Enter the TOTAL number of Additional Shares you wish to apply for (if any). No Eligible Shareholder is assured of receiving any Additional Shares in excess of their Entitlement and any amount by which applications from Eligible Shareholders exceed their Entitlement will be scaled back on a pro rata basis, subject to the requirements of the Corporations Act and the Listing Rules.
- D. Enter the TOTAL AMOUNT of Application Monies payable. To calculate this amount multiply the number of New Shares applied for by 2.3 cents in Australian currency.
- E. By completing the Entitlement and Acceptance Form, you will be taken to have made to Q Ltd the declarations and statements therein. The Entitlement and Acceptance Form does not need to be signed. If an Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Entitlement and Acceptance Form, and how to construe, amend or complete it, shall be final. An Entitlement and Acceptance Form will not however, be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying cheque or payment.
- F. Payment must be made in Australian currency. You have two methods of payment – either by cheque/bank draft or by telegraphic transfer/direct deposit into Q Ltd's account.

Paying by cheque/bank draft

If paying by cheque or bank draft, cheques must be drawn on an Australian bank. Cheques or bank drafts must be payable to “**Q LTD - SHARE PURCHASE ACCOUNT**” and crossed Not Negotiable. Cheques not properly drawn may be rejected. Cheques will generally be deposited on the day of receipt.

Paying by telegraphic transfer/direct deposit

If paying by telegraphic transfer or direct deposit, you should ensure that your payment is processed by no later than **5.00 pm (EST) on 27 May 2011**. The details for telegraphic transfer/direct deposit are:

BANK:	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD
Branch:	388 Collins Street Melbourne Victoria 3000 Australia
Bank A/c Name:	Q Ltd Share Purchase Account
Bank A/c No.:	8375-34012
BSB No.:	013 165
Swift Code:	ANZBAU3M

Important: Please include the Shareholder Reference Number (SRN) or Holder Identification Number (/HIN) on your telegraphic transfer/direct deposit instruction for easy identification by the Company.

- G. Enter telephone numbers and a contact person the Company Secretary can speak with if he has any queries regarding this Application.

Lodgement of Acceptance

Entitlement and Acceptance Forms must be received at the office of Q Ltd by no later than 5.00 pm (EST) on 27 May 2011. Forward your completed Entitlement and Acceptance Form together with the cheque(s) or deposit confirmations:

By mail to Q Ltd: GPO Box 2113, MELBOURNE, VIC, 3001, Australia.

By hand to Q Ltd: Bank House, Level 5, 11 Bank Place, Melbourne, VIC, 3000, Australia
OR
Level 2, 181 Riley Street, Darlinghurst, NSW, 2010, Australia.

By facsimile
(for confirmations only): +61 3 9600 1500