

24 December 2012

ASX RELEASE
Q LTD ENTERS INTO NON-BINDING TERM SHEET TO PURCHASE WHITE
DATA

Q Ltd (ASX:QXQ) (**Company** or **QXQ**) has today signed a Non-Binding Term Sheet (**Term Sheet**) with White Data Pty Ltd (ACN 160 662 877) (**White Data**) in relation to a proposed acquisition by QXQ of White Data (**Transaction**). This transaction is an exciting opportunity for the Company to utilise White Data's business model, strategic partners, designs and expertise to rapidly enter into the growing data centre market in Australia.



Highlights

- This is a company changing transaction.
- QXQ has entered into a Non-Binding Term Sheet to acquire 100% of White Data.
- Proposal to re-name QXQ "White Data Limited".
- White Data is an Australian company whose strategy is to deliver high security data centre and disaster recovery solutions to Australian and Asia Pacific markets.
- QXQ shareholders will benefit from the experience of White Data's management team, its strategic partners and the development of Brisbane data centre project to date.
- Completion of the Transaction will be subject to QXQ entering into a binding formal agreement to implement the Transaction and other conditions including ASX and QXQ shareholder approval, and completion of due diligence by QXQ and White Data.
- Both parties will continue to undertake due diligence on the Transaction. In the event that this work is completed to both parties' satisfaction and the parties enter into a binding implementation agreement, QXQ will convene a meeting of its shareholders (**Notice of Meeting**) seeking their approval of the Transaction.

Background on White Data

White Data is an early stage data centre management company that provides high security data centre and disaster recovery solutions targeting markets within Australia and the Asia Pacific region. White Data has an agreement with a developer for the provision of a turn-key data centre as part of its first campus in Brisbane, with construction expected to commence in 2013 and be completed in late 2014. White Data aims to provide services and solutions specifically designed to support state and federal government, corporate and enterprise customers utilising next generation technologies.

White Data is led by a management team and Company Board that has substantial Data Centre, Telecommunications and National Security expertise.

As White Data was recently incorporated, it has not yet produced statutory financial statements. It will produce statutory financial statements for the half-year ending 31 December 2012. These will form the basis of the pro-forma balance sheet for this Transaction, which will be released by the end of January 2013.

Term Sheet

QXQ and White Data have entered into the Term Sheet pursuant to which the parties have given certain undertakings to each other in order to facilitate the implementation of the Transaction. In consideration for the acquisition of 100% of White Data's issued capital, QXQ will issue 89,254,019 fully paid ordinary shares in QXQ (**Shares**) to the shareholders of White Data. The Shares will be subject to ASX mandatory escrow requirements.

Change of Activities

The proposed Transaction when concluded will constitute a significant change in the nature and scale of the Company's activities under Chapter 11 of the ASX Listing Rules. Accordingly, QXQ will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Capital Raising

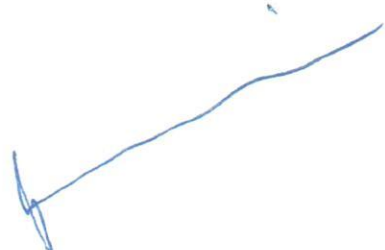
Under the Term Sheet the Company must undertake a capital raising of \$4,000,000 (with the ability to accept oversubscriptions of up to an additional \$1,000,000) through the issue of shares (**Capital Raising**). The price at which the capital raising will proceed and the amount QXQ ultimately raises will be subject to market conditions at the time

Name Change

Subject to shareholder approval QXQ is proposing that the name of the Company be changed to "White Data Limited" following completion of the Transaction.

Share Consolidation

To facilitate the Transaction QXQ will complete a share consolidation at a ratio sufficient to satisfy the listing requirements of ASX and to be agreed, of approximately 1 for 8.

General Meeting of QXQ Shareholders

Subject to completion of due diligence and the parties agreeing binding transaction documentation, the Company will convene a general meeting of its shareholders to approve the resolutions required to give effect to the Transaction.

The general meeting is expected to be convened in March 2013 and will be accompanied by an Independent Expert's Report on whether the Transaction is fair and reasonable to QXQ shareholders.

The Company intends to seek the appointment of new directors, who are nominees of White Data, to the Company's board as a result of the Transaction. However, the number of new directors to be appointed is yet to be agreed between QXQ and White Data.

Indicative Capital Structure

On the basis that QXQ completes the Transaction and share consolidation, QXQ's capital structure will be as follows:

Shares	Pre-Consolidation	Post-Consolidation ¹
Shares currently on issue	88,857,334	11,107,167
Shares to be issued to White Data shareholders		89,254,019
Shares to be issued under the Capital Raising ²		25,000,000
TOTAL SHARES		125,361,186

¹ For the purpose of this announcement, it is assumed that the Company's Shares will be consolidated on a 1 for 8 basis.

² Assumes that the oversubscription of \$1,000,000 is raised and that the Shares are issued at a minimum of \$0.20 each.

Indicative Timetable*

The indicative timetable for completion of the Transaction is set out below:

Event	Date
Completion of due diligence investigations and completion of pro-forma balance sheet	January 2013
Sign binding formal agreement in relation to the Transaction	January 2013
Despatch Notice of Meeting seeking approval for Transaction	February 2013
Prospectus for Capital Raising lodged with the ASIC and ASX	February 2013
General Meeting to approve Transaction and change in nature and scale of activities and suspension of QXQ from quotation from date of General Meeting until ASX confirmation of Chapter 1 and 2 re-compliance	March 2013
Offer under Capital Raising closes	March 2013
QXQ recommences trading on ASX	April 2013



the digital marketing group

*This time table is indicative only and subject to change. The Board reserves the right to amend the timetable.

On the assumption that the both parties are satisfied with the due diligence results, full and further information will be provided to QXQ shareholders on execution of binding transaction documentation and in the Notice of Meeting.

The proposed acquisition of White Data is a company changing transaction for QXQ and will position the Company for significant growth in the future.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Paul G Choiselat', with a long horizontal flourish extending to the right.

Paul G Choiselat
Executive Chairman

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