



3Q Holdings Limited ♦ 42 089 058 293

Ground Floor
35 Spring Street
Bondi Junction NSW 2022
Australia

Tel: +61 2 9369 8590
Fax: +61 2 9387 7110

www.threeq.com.au

26 September 2012

Dear Shareholder

Unmarketable parcel sale facility – first notice

You are recorded on the share register of 3Q Holdings Limited (**TQH**) as the holder of an unmarketable parcel of shares.

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an unmarketable parcel. The last sale price of TQH's shares prior to 14 September 2012 was \$0.052. On this basis, an unmarketable parcel at the date of this letter is 9,615 or less TQH shares.

TQH incurs considerable expense in administering its share register and providing shareholder communications to each shareholder. In some cases, these expenses are greater than the value of the underlying shares in an unmarketable parcel.

To reduce these costs and to give shareholders with unmarketable parcels the ability to dispose of their shares without brokerage and other expenses, the Board of TQH has resolved to implement a forced sale of the shares of those shareholders who do not inform TQH that they wish to retain their unmarketable parcel of shares (by returning the enclosed share retention form). The mechanism for this is set out in clause 3 of the TQH Constitution and in the ASX Listing Rules.

Accordingly, TQH gives you formal notice pursuant to clause 3.13 of the TQH Constitution that, if your TQH shareholding constitutes an unmarketable parcel at the open of ASX trading on 22 November 2012, TQH intends to offer your shares (along with the shares of other shareholders with unmarketable parcels who have not given notice to TQH that they wish to retain the shares) for sale on the ASX at the highest possible price (the **Unmarketable Parcel Sale Facility**).

Several of the TQH Directors have indicated their intention to stand in the market to acquire shares sold via the Unmarketable Share Sale Facility and it is therefore possible that one or more TQH Directors may acquire shares under the facility. If a Director does participate in the on-market sale, each Director has agreed that they will purchase TQH shares for no less than \$0.06.

If you wish to retain your TQH shares, you must complete, sign and return the enclosed share retention form, so that it is received by 5pm (Sydney time) on 9 November 2012.

Options in dealing with your TQH Shares

You have two options, to sell your shares at no cost, or to retain your current holding.

You may sell your holding

You may take advantage of the Unmarketable Parcel Sale Facility put in place for TQH to sell your holding on-market without paying brokerage costs. You need take no action to take advantage of this facility. Further details are included in the fact sheet below. Unless you complete and return the form indicating that you wish to retain your holding by 5pm (Sydney time) on 9 November 2012, if you still hold less than \$500 worth of TQH Shares on the anticipated sale date of 22 November 2012, those shares will be sold on-market and the proceeds paid to you.

You may retain your holding

You may retain your holding. If you wish to do this, please complete and return the enclosed form, so that it is received by 5pm (Sydney time) on 9 November 2012.

I encourage you to read all the materials in relation to these arrangements (including the Fact Sheet below) before deciding whether to retain your holding or to have TQH to sell your holding. If you have any questions you should consult your stockbroker, accountant or other licensed financial adviser.

Should you require further assistance, please do not hesitate to contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping, stylized strokes that form a cursive-like shape.

Shaun Rosen
Chairman, 3Q Holdings Limited

Selling your shares via the Unmarketable Parcel Sale Facility

What are the arrangements for selling unmarketable parcels of shares?

Those shareholders whose shareholding is valued at less than \$500 at the close of ASX trading on 21 November 2012 can take advantage of the opportunity to have their shares sold on-market without incurring brokerage costs via the Unmarketable Parcel Sale Facility. TQH will arrange the sale and will send the proceeds to you.

The term “unmarketable parcel” is used to describe a holding that is less than a “marketable parcel” for the purposes of the ASX Listing Rules. It does not mean that the holding is not capable of being sold.

What do I need to do to take advantage of these arrangements?

No action is required from you.

When will my shares be sold?

TQH is entitled to arrange the sale of unmarketable parcels after it meets certain notice requirements to shareholders about its intention to sell those shares. Enclosed with this Fact Sheet is the first of these two notices.

We anticipate that the required notice periods will expire, and consequently the on-market sale of the shares will occur, on or around 22 November 2012.

TQH reserves the right to withdraw the sale process at any time prior to the sale occurring.

What will the sale price be?

The aggregate unmarketable parcels will be sold on the ASX at the highest possible price available at that time. Under the TQH constitution, the price at which the shares can be sold cannot be less than the simple average of the last ASX sale price for each of the 10 trading days immediately preceding the date of the on-market sale. Your shares will therefore not be sold on the ASX at the highest possible price at that time if that price does not meet this requirement.

You should be aware that the price for TQH shares that are sold under the facility is not fixed; may be less than the market price of TQH shares at any given time (provided it meets the pricing requirement set out in the TQH constitution); and may not be the best execution price on the trading day or trading days that your shares are sold. Your shares will be pooled with all other on-market sales and the price will be the volume weighted average price achieved for the sale of all the unmarketable parcels.

TQH will bear all costs of the sale of shares under the Unmarketable Parcel Sale Facility.

It is possible that one or more of the Directors of TQH may acquire shares on-market via the Unmarketable Share Sale Facility. If a Director does participate in the on-market sale, each Director has agreed that they will purchase TQH shares for no less than \$0.06.

When will I receive the sale proceeds?

The proceeds from the sale of the shares will be held in a separate bank account established by TQH for that purpose and will be paid to the relevant shareholders on a pro-rata basis (in accordance with the number of shares sold by each relevant shareholder) within 14 days of TQH receiving the proceeds of the sale.

We anticipate that sale proceeds will be sent to you by post on or around 30 November 2012.

Retain your current holding

What if I want to retain my current holding, what do I need to do?

If you want to retain your current holding, you must complete the enclosed form, and return it so that it is received by 5pm (Sydney time) on 9 November 2012.

Alternatively, you may choose to acquire more TQH shares on the market such that your shareholding will be valued at \$500 or more on the anticipated date for the on-market sale, being 22 November 2012.

Further questions

Need help?

Should you require further assistance, please do not hesitate to contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

We recommend that you consult your stockbroker, accountant or licensed financial adviser before making any decision to participate in the Unmarketable Parcel Sale Facility or Share Purchase Plan.