

30 March 2007

Company Announcement Office
Australian Stock Exchange Limited

By Electronic Lodgment

Dear Sir,

**2 FOR 7 NON-RENOUNCEABLE RIGHTS ISSUE
NOTIFICATION OF UNDER SUBSCRIPTIONS**

In relation to the 2 for 7 non-renounceable rights issue at \$0.09 each conducted by the company which closed on 27 March 2007, we advise as follows:

Total Entitlements/Shares on Offer:	28,871,976
Total Number of Acceptances/Shares Applied For:	26,013,145
Amount Raised:	\$2,341,183.05
Number of Entitlements/Shares Under Subscribed:	2,858,831
Amount of Shortfall:	\$257,294.79

The rights offer was not underwritten and in accordance with the Prospectus dated 26 February 2007 the entitlements that were not taken up have lapsed.

Yours faithfully
RCG CORPORATION LIMITED



Howard Knapp
Company Secretary