

Appendix 4C

Quarterly Report for entities admitted on the basis of commitments

Name of entity

QUESTE COMMUNICATIONS LTD and controlled entity

ACN or ARBN

081 688 164

Quarter Ended

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from customers

1.2 Payments for

(a) staff costs

(b) advertising and marketing

(c) research and development

(d) leased assets

(e) other working capital

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes (paid)/refund

1.7 Other (provide details if material)

Net operating cash flows

	Company		Consolidated	
	Current Quarter Dec 2010 \$' 000	Year to Date 6 months \$' 000	Current Quarter Dec 2010 \$' 000	Year to Date 6 months \$' 000
1.1 Receipts from customers	-	-	102	163
1.2 Payments for				
(a) staff costs	(177)	(339)	(328)	(613)
(b) advertising and marketing	-	-	-	-
(c) research and development	-	-	-	-
(d) leased assets	-	-	-	-
(e) other working capital	152	105	(112)	(395)
1.3 Dividends received	22	31	227	238
1.4 Interest and other items of a similar nature received	74	100	76	103
1.5 Interest and other costs of finance paid	-	-	(1)	(1)
1.6 Income taxes (paid)/refund	-	-	-	-
1.7 Other (provide details if material)				
Net operating cash flows	71	(103)	(36)	(505)

Notes:

The Company currently has a 50.88% interest in ASX listed investment company, Orion Equities Limited ("OEQ").

OEQ is a controlled entity of the Company under the Accounting Standards.

Therefore, the Consolidated columns in this Monthly Cash Flow Report takes into account the cash flows of the Company and its controlled entity, including OEQ

* Includes a re-classification of items from previous months.

	Company		Consolidated	
	Current Quarter Dec 2010 \$' 000	Year to Date 6 months \$' 000	Current Quarter Dec 2010 \$' 000	Year to Date 6 months \$' 000
1.8 Net operating cash flows (carried forward)	71	(103)	(36)	(505)
Cash flows related to investing activities				
1.9 Payment for acquisition of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	(220)	(388)	(220)	(388)
(c) intellectual property	-	-	-	-
(d) physical non-current assets	(2)	(2)	(240)	(361)
(e) other non-current assets	-	-	-	-
1.10 Proceeds from disposal of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	-	170	963	1,133
(c) intellectual property	-	-	-	-
(d) physical non-current assets	-	-	-	-
(e) other non-current assets	-	-	-	-
1.11 Loans to other entities	(250)	(250)	-	-
1.12 Loans repaid by other entities	250	250	-	-
1.13 Other (provide details if material)	-	-	-	-
Net investing cash flows	(222)	(220)	503	384
1.14 Total operating and investing cash flows	(151)	(323)	467	(121)
Cash flows related to financing activities				
1.15 Proceeds from issues of shares, options, etc.	-	-	-	-
1.16 Proceeds from sale of forfeited shares	-	-	-	-
1.17 Proceeds from borrowings	-	-	-	-
1.18 Repayment of borrowings	-	-	-	-
1.19 Dividends paid	-	-	-	-
1.20 Other (provide details if material)	-	-	-	-
Net financing cash flows	-	-	-	-
Net increase (decrease) in cash held	(151)	(323)	467	(121)
1.21 Cash at beginning of month/year to date	2,015	2,187	2,073	2,661
1.22 Exchange rate adjustments to item 1.20	-	-	-	-
1.23 Cash at end of month	1,864	1,864	2,540	2,540

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the
related entities

		Current Quarter Dec 2010 \$' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	(182)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments for Staff costs (in Item 1.2) includes:
(1) \$44,521 - Salaries and fees paid by the Company to Directors;
(2) \$137,667 - Salaries and fees paid by controlled entity, Orion Equities Limited (OEQ), to its Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None.

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amt available \$' 000	Amount used \$' 000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

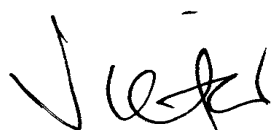
	Company		Consolidated	
	Current Quarter \$' 000	Previous Quarter \$' 000	Current Quarter \$' 000	Previous Quarter \$' 000
4.1 Cash on hand and at bank	1,227	378	1,903	436
4.2 Deposits at call	637	1,637	637	1,637
4.3 Bank overdraft	-	-	-	-
4.4 Other (Bank Bills)	-	-	-	-
Total: cash at end of month (item 1.22)	1,864	2,015	2,540	2,073

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		-
5.2 Place of incorporation or registration		-
5.3 Consideration for acquisition or disposal		-
5.4 Total net assets		-
5.5 Nature of business		-

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- This statement **does** give a true and fair view of the matters disclosed.



Date: **14 January 2011**

Victor Ho
Company Secretary

Notes:

The **Company** currently holds the following listed share investments:

	31-Dec-10			
	No Shares	% Interest	Last Bid Price	Market Value
Shares in Orion Equities Limited (OEQ)	9,063,153	50.88%	\$0.375	\$3,398,682
Shares (Other)				\$582,317
				<u>\$3,981,000</u>

The above investments are regarded as liquid assets to supplement the Company's cash reserves.