

Appendix 4C

Quarterly Report for entities admitted on the basis of commitments

Name of entity

QUESTE COMMUNICATIONS LIMITED and controlled entities

ACN or ARBN

081 688 164

Quarter Ended

31 December 2005

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

1.7 Other (provide details if material)

- Professional fees

Net operating cash flows

	Company		Consolidated	
	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000
1.1 Receipts from customers	-	-	23	23
1.2 Payments for				
(a) staff costs	(86)	(189)	(138)	(340)
(b) advertising and marketing	-	-	-	-
(c) research and development	-	-	-	-
(d) leased assets	-	-	-	-
(e) other working capital	(7)	(53)	(104)	(343)
1.3 Dividends received	128	128	171	175
1.4 Interest and other items of a similar nature received	7	7	24	26
1.5 Interest and other costs of finance paid	-	-	(1)	(1)
1.6 Income taxes paid	-	-	-	-
1.7 Other (provide details if material)				
- Professional fees	-	-	-	(4)
Net operating cash flows	42	(107)	(25)	(464)

Note:

The Company currently has a 48% interest in ASX listed investment company, Central Exchange Limited ("CXL").

CXL is a controlled entity of the Company pursuant to Accounting Standard AASB 1024 "Consolidated Accounts."

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

	Company		Consolidated	
	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000	Current Quarter Dec 2005 \$' 000	Year to Date 6 months \$' 000
1.8 Net operating cash flows (carried forward)	42	(107)	(25)	(464)
Cash flows related to investing activities				
1.9 Payment for acquisition of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	-	-	(4,814)	(6,625)
(c) intellectual property	-	-	-	(30)
(d) physical non-current assets	-	-	-	-
(e) other non-current assets	-	-	-	-
1.10 Proceeds from disposal of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	3,268	3,393	9,297	12,143
(c) intellectual property	-	-	-	-
(d) physical non-current assets	-	-	-	-
(e) other non-current assets	-	-	-	-
1.11 Loans to other entities	(13)	(13)	(163)	(163)
1.12 Loans repaid by other entities	-	-	150	150
1.13 Other (provide details if material)	-	-	-	-
(a) <i>Net income from options</i>	-	-	53	63
Net investing cash flows	3,255	3,380	4,523	5,538
1.14 Total operating and investing cash flows	3,297	3,273	4,498	5,074
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	-	-	(131)	(131)
1.20 Other (provide details if material)	-	-	-	-
Payments in relation to share buy back	-	-	-	-
Net financing cash flows	-	-	(131)	(131)
Net increase (decrease) in cash held	3,297	3,273	4,367	4,943
1.21 Cash at beginning of month/year to date	50	74	726	150
1.22 Exchange rate adjustments to item 1.20	-	-	-	-
1.23 Cash at end of quarter	3,347	3,347	5,093	5,093

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 2005 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	97
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

- (1) \$45,532- Salaries and fees paid by the Company to Directors;
- (2) \$51,532 - Salaries and fees paid by controlled entity, Orion Equities Limited (formerly Central Exchange Limited), 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	182	50	1,928	726
4.2 Deposits at call	-	-	-	-
4.3 Bank overdraft	-	-	-	-
4.4 Other (Bank Bills)	3,165	-	3,165	-
Total: cash at end of quarter (item 1.22)	3,347	50	5,093	726

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: **13 January 2006**

Victor Ho
Company Secretary

Notes:

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

			13-Jan-06	
	No Shares	% Interest	Bid Price	Market Value
Shares in Central Exchange Ltd (CXL)	8,558,127	48.04%	\$0.6500	\$5,562,783
Shares in Altera Capital Limited (AEA)	10,699,428	17.25%	suspended	
Shares in Sofcom Limited (SOF)	6,255,349	14.01%	suspended	

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

The Company is a major shareholder in AEA and SOF both of which are ASX listed companies, currently suspended awaiting a potential recapitalisation and re-admission to ASX. The Company is in discussions with a number of parties regarding a sale of its interest in these companies. QUE's nil valuation for its shareholding in these companies does not reflect any potential "control premium" upon a possible sale of such shareholdings.