

Appendix 4C

Quarterly Report for entities admitted on the basis of commitments

Name of entity

QUESTE COMMUNICATIONS LTD and controlled entities

ACN or ARBN

081 688 164

Quarter Ended

31 March 2007

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 Mar 2007 \$' 000 | Year to Date 9 month \$' 000 | Current Quarter Mar 2007 \$' 000 | Year to Date 9 month \$' 000 |
| - | - | - | - |
| (86) | (293) | (167) | (536) |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| (16) | 137 | (79) | (430) |
| 132 | 389 | 262 | 345 |
| 50 | 143 | 76 | 197 |
| - | - | - | - |
| - | - | (269) | (863) |
| - | - | - | - |
| 80 | 376 | (177) | (1,287) |

Note:

The Company currently has a 48% 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 entities, including OEQ

| | Company | | Consolidated | |
|------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|
| | Current Quarter | Year to Date | Current Quarter | Year to Date |
| | Mar 2007 \$' 000 | 9 month \$' 000 | Mar 2007 \$' 000 | 9 month \$' 000 |
| 1.8 Net operating cash flows (carried forward) | 80 | 376 | (177) | (1,287) |
| Cash flows related to investing activities | | | | |
| 1.9 Payment for acquisition of: | | | | |
| (a) businesses (item 5) | - | - | - | - |
| (b) equity investments | - | (387) | (399) | (4,027) |
| (c) intellectual property | - | - | - | - |
| (d) physical non-current assets | - | - | (2,617) | (2,618) |
| (e) other non-current assets | - | - | - | (120) |
| 1.10 Proceeds from disposal of: | | | | |
| (a) businesses (item 5) | - | - | - | - |
| (b) equity investments | - | 332 | 1,129 | 8,519 |
| (c) intellectual property | - | - | - | - |
| (d) physical non-current assets | - | - | - | - |
| (e) other non-current assets | - | - | - | - |
| 1.11 Loans to other entities | - | - | - | - |
| 1.12 Loans repaid by other entities | - | 18 | - | 18 |
| 1.13 Other (provide details if material) | - | - | - | - |
| (a) <i>Net income from options</i> | - | - | 9 | 49 |
| Net investing cash flows | - | (37) | (1,878) | 1,821 |
| 1.14 Total operating and investing cash flows | 80 | 339 | (2,055) | 534 |
| 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 | (137) | (284) | (274) | (701) |
| 1.20 Other (provide details if material) | - | - | - | - |
| Payments in relation to share buy back | - | (1) | - | (74) |
| Net financing cash flows | (137) | (285) | (274) | (775) |
| Net increase (decrease) in cash held | (57) | 54 | (2,329) | (241) |
| 1.21 Cash at beginning of month/year to date | 3,275 | 3,164 | 6,357 | 4,269 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - | - | - |
| 1.23 Cash at end of month | 3,218 | 3,218 | 4,028 | 4,028 |

**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 Mar 2007 \$' 000 |
|------|------------------------------------------------------------------|----------------------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | (101) |
| 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) \$21,729 - Salaries and fees paid by the Company to Directors;
(2) \$79,507 - Salaries and fees paid by controlled entity, Orion Equities 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

None.

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

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 | 209 | 267 | 1,019 | 3,349 |
| 4.2 Deposits at call | 25 | 25 | 25 | 25 |
| 4.3 Bank overdraft | - | - | - | - |
| 4.4 Other (Bank Bills) | 2,984 | 2,983 | 2,984 | 2,983 |
| Total: cash at end of month (item 1.22) | 3,218 | 3,275 | 4,028 | 6,357 |

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 April 2007**

Victor Ho
Company Secretary

Notes:

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

| | No Shares | % Interest | Last Closing Price | Market Value |
|----------------------------------------|-----------|------------|--------------------|---------------------|
| Shares in Orion Equities Limited (OEQ) | 8,558,127 | 48.04% | \$1.2700 | \$10,868,821 |
| Shares in Sofcom Limited (SOF) | 6,255,349 | 14.01% | suspended | |
| | | | | <u>\$10,868,821</u> |

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