

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

30 September 2008

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)

Net operating cash flows

	Company		Consolidated	
	Current Quarter Sept 2008 \$' 000	Year to Date 3 months \$' 000	Current Quarter Sept 2008 \$' 000	Year to Date 3 months \$' 000
1.1 Receipts from customers	-	-	7	7
1.2 Payments for				
(a) staff costs	(144)	(144)	(275)	(275)
(b) advertising and marketing	-	-	-	-
(c) research and development	-	-	-	-
(d) leased assets	-	-	-	-
(e) other working capital	(122)	(122)	(594)	(594)
1.3 Dividends received	49	49	13	13
1.4 Interest and other items of a similar nature received	54	54	59	59
1.5 Interest and other costs of finance paid	-	-	-	-
1.6 Income taxes paid	-	-	-	-
1.7 Other (provide details if material)				
Net operating cash flows	(163)	(163)	(790)	(790)

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 Sept 2008 \$' 000	Year to Date 3 months \$' 000	Current Quarter Sept 2008 \$' 000	Year to Date 3 months \$' 000
1.8 Net operating cash flows (carried forward)	(163)	(163)	(790)	(790)
Cash flows related to investing activities				
1.9 Payment for acquisition of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	(138)	(138)	(400)	(400)
(c) intellectual property	-	-	-	-
(d) physical non-current assets	-	-	-	-
(e) other non-current assets	(2)	(2)	(2)	(2)
1.10 Proceeds from disposal of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	-	-	1,133	1,133
(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	-	-	-	-
1.13 Other (provide details if material)	-	-	-	-
Net investing cash flows	(140)	(140)	731	731
1.14 Total operating and investing cash flows	(303)	(303)	(59)	(59)
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	(75)	(75)	(121)	(121)
1.20 Other (provide details if material)	-	-	-	-
Calls made and paid on partly paid shares	105	105	105	105
Net financing cash flows	30	30	(16)	(16)
Net increase (decrease) in cash held	(273)	(273)	(75)	(75)
1.21 Cash at beginning of month/year to date	3,329	3,329	3,924	3,924
1.22 Exchange rate adjustments to item 1.20	-	-	-	-
1.23 Cash at end of month	3,056	3,056	3,849	3,849

**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 Sept 2008 \$' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	(162)
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) \$46,842 - Salaries and fees paid by the Company to Directors;
(2) \$115,161 - 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 liabilities but did not involve cash flows

On 11 August 2008, Orion Equities Limited (a controlled entity of Queste Communications Ltd) disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of Central Exchange Mining Ltd) to its joint venture partner in these projects, ASX listed Strike Resources Limited (Strike). A total of 9.5 million Strike shares were issued to Orion as consideration for the sale. Orion realised a gain on sale of these subsidiaries of \$17.5 million (based on Strike's closing bid price of \$1.97 on the date of completion), which will be accounted for in the 2008/09 financial year.

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	231	204	1,024	799
4.2 Deposits at call	2,825	3,125	2,825	3,125
4.3 Bank overdraft	-	-	-	-
4.4 Other (Bank Bills)	-	-	-	-
Total: cash at end of month (item 1.22)	3,056	3,329	3,849	3,924

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 October 2008**

Victor Ho
Company Secretary

Notes:

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

	No Shares	% Interest	10-Oct-08 Last Closing Price	Market Value
Shares in Orion Equities Limited (OEQ)	8,558,127	48.04%	\$0.500	\$4,279,064
Shares (Other)				\$367,169
				<u>\$4,646,233</u>

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