

MARKET ANNOUNCEMENT

Small Holding (Unmarketable Parcel) Share Sale Facility

The Company has initiated a Small Holding Share Sale Facility in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels'¹) valued at \$500 or less.

A copy of a Notice of Intention to Sell and accompanying Share Retention Form to be despatched to relevant shareholders (holding a 'small holding' of shares as at the Record Date) is attached.

The Company's [Constitution](#)² provides a mechanism by which the Board may, with the deemed agreement of each relevant shareholder, aggregate small holdings and sell them on the shareholders' behalf thereby possibly achieving a higher price for the shares than would have been possible had they been sold as individual small parcels.

This initiative will benefit the Company in terms of savings in maintenance costs in relation to share registry fees and also printing, mail-out and postage costs. Furthermore, for some shareholders, the costs of selling their small holdings may result in a proportionally high transaction cost compared to the gross proceeds of sale. This initiative allows for the full gross proceeds to be realised to shareholders of such small parcels.

A 'small holding' is a shareholding with a market value of \$500 or less based on the Company's closing (last sale) share price on ASX as at Wednesday, 5 October 2016 (the **Record Date**).

The Company's closing (last sale) share price as at the Record Date was 5.2 cents, with a small holding thus constituting 9,615 or fewer shares. There are some ~77 (out of 239) shareholders holding, in aggregate, ~276,065 shares or ~1.04% of the Company's total issued share capital (of 26,578,358 shares).

Those small holding shareholders as at the Record have until 5:00pm Perth time on Wednesday, 23 November 2016 (the **Due Date**) to lodge a Share Retention Form to retain their shareholding in the Company.

The Company will aggregate the small holdings of affected shareholders who have not lodged a Share Retention Form by the Due Date and dispose of them as soon as practicable after that date, having regard to the liquidity of the Company's shares on ASX and market conditions.

The aggregated small holdings will be sold on-market with the Company bearing all brokerage and selling costs. Shareholders will receive their respective pro-rata share of the gross proceeds of sale (with payment sent to a shareholder's last recorded address) after all small holdings have been sold. Any tax consequences from the sale will be the respective shareholder's responsibility.

FURTHER INFORMATION:

Victor Ho
Executive Director and Company Secretary

T | (08) 9214 9777
E | cosec@queste.com.au

1 While the term "unmarketable parcel" is commonly used to describe a shareholding worth \$500 or less, the holder of such a parcel of shares is still permitted to sell them on-market on the ASX.

2 Clause 152 of the Company's [Constitution](#)

6 October 2016

Dear Shareholder,

NOTICE OF INTENTION TO SELL – SMALL HOLDING SHARE SALE FACILITY

The Company has initiated a Small Holding Share Sale Facility in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels'¹) valued at \$500 or less (a **Small Holding**).

The Company's [Constitution](#) provides a mechanism by which the Board may, with the deemed agreement of each relevant shareholder, aggregate small holdings and sell them on the shareholders' behalf.

Based on the Company's 5.2 cents closing (last sale) share price on ASX on Wednesday, 5 October 2016 (the **Record Date**), a Small Holding is 9,615 or fewer shares

The Company has a large number of shareholders on its share register holding such a Small Holding – some 77 (out of 239) shareholders holding, in aggregate, ~276,065 shares or ~1.04% of the Company's total issued share capital (of 26,578,358 shares).

This Small Holding Share Sale Facility initiative will benefit the Company in terms of savings in maintenance costs in relation to share registry fees and also printing, mail-out and postage costs. Furthermore, for some shareholders, the costs of selling their Small Holdings may result in a proportionally high transaction cost compared to the gross proceeds of sale; the Company's aggregation of Small Holdings to sell on-market may also possibly achieve a higher price for the shares than would have been possible had they been sold as individual small parcels. This initiative also allows for the full gross proceeds to be realised by shareholders of such small parcels as the brokerage and selling costs will be borne by the Company.

Our records indicate that you hold a Small Holding as at the Record Date (5 October 2016). The number of Small Holding shares you hold is set out in the enclosed, personalised Share Retention Form.

The mechanics of this initiative require you to advise the Company (by returning the Share Retention Form) by 5:00pm, Perth time, on Wednesday, 23 November 2016 (being approximately 6 weeks from when this notice was sent to you) (the **Due Date**), that you do NOT wish your Small Holding shares to be sold. If the Form is not received by the Due Date, the Company will arrange for your shares to be sold through this Facility.

Under the Facility:

- Those shareholders who do not return their Share Retention Form by the Due Date are deemed to have appointed the Company as their agent (and the Directors as their attorney) to sell their Small Holding at a price which, in the opinion of the Directors, is a fair and reasonable price;
- The Company will aggregate the Small Holdings of those shareholders who have not lodged a Share Retention Form by the Due Date and dispose of them as soon as practicable after that date, having regard to the liquidity of the Company's shares on ASX and market conditions;
- If those shares are held in a CHESS Sponsored holding, the Company will, after the Due Date, initiate an adjustment to convert them to the Issuer Sponsored sub-register prior to the proposed sale;
- The aggregated Small Holdings will be sold on-market through a broker nominated by the Board, with the Company bearing all brokerage and selling costs;
- The gross proceeds of sale will be distributed pro-rata to those shareholders after all the Small Holdings have been sold;

1 While the term "unmarketable parcel" is commonly used to describe a shareholding worth \$500 or less, the holder of such a parcel of shares is still permitted to sell them on-market on the ASX.

Principal & Registered Office:
Level 2, 23 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9777
F | (08) 9214 9701
E | info@queste.com.au
W | www.queste.com.au

ASX Code: QUE
A.B.N. 58 081 688 164



Advanced Share Registry Services:
110 Stirling Highway
Nedlands, Western Australia 6009

T | (08) 9389 8033
F | (08) 9262 3723
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

- Payment by AUD cheque will be sent to a shareholder's last recorded address on the share register, along with a Notice of Sale confirming the sale details; and
- Any sale proceeds unable to be distributed will be remitted to ASIC as 'unclaimed monies' after the applicable statutory period.

If you do not wish your Small Holding to be sold by the Company under this Facility, you must return the enclosed '**Share Retention Form**' by the Due Date (5:00pm, Perth time, on Wednesday, 23 November 2016).

If this Form is not received by the Due Date, your Small Holding will be included in the shares to be sold under the Facility. The Company and its Share Registrar take no responsibility for lost, undelivered or delayed Share Retention Forms.

Please note that the Facility does not affect your ability to buy or sell QUE shares prior to the Due Date or generally (refer also to the enclosed 'Frequently Asked Questions' for further information).

A summary of your options are:

If you wish to RETAIN your shareholding	Return the Share Retention Form by the Due Date	Return the enclosed 'Share Retention Form' to the Company's Share Registrar by the Due Date
	Increase your shareholding to >\$500 prior to the Due Date	Acquire more shares to increase the market value of your shareholding above \$500 such that this Facility ceases to be applicable to you
If you wish to DISPOSE of your shareholding	Do Nothing	By refraining from taking any action, after the Due Date, the Company will sell your Small Holding on-market at a fair and reasonable price as determined by the Directors
	Sell your shareholding prior to the Due Date	Dispose of your shareholding prior to the Due Date such that this Facility ceases to be applicable to you

If you have more than one registered shareholding recorded on the Company's share register, you may wish to consider amalgamating them. If you amalgamate your holdings before the Due Date for return of the Share Retention Form, this may result in your amalgamated holdings no longer being a Small Holding. In these circumstances, or if you return a Share Retention Form for each holding, your shares will not be sold under the Facility.

The Facility will not apply if your Small Holding increases in value to be worth more than \$500 at the time of the proposed sale by the Company under the Facility.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your legal, financial or taxation adviser. Any taxation consequences arising from the sale of your Small Holding under the Facility will be your responsibility.

If you have any questions regarding the operation of the Facility or the completion of the Share Retention Form, please contact the Company Secretary by telephone on (08) 9214 9777 or by email on cosec@queste.com.au.

Yours Sincerely,



Victor Ho
Company Secretary

If your address on your personalised Share Retention Form is incorrect or out-of-date, please update your address by contacting your Broker (if your holding is CHESS Sponsored) or by contacting Advanced Share Registry Services (if your holding is Issuer Sponsored) by telephone on (08) 9389 8033 or by email on admin@advancedshare.com.au.

Small Holding Share Sale Facility

– Frequently Asked Questions (FAQ's)

This letter, FAQs and the accompanying Share Retention Form constitutes notice to you under section 152 of the [Constitution](#) of Queste Communications Ltd (**QUE** or the **Company**), setting out the terms and conditions of the Small Holding Share Sale Facility (the **Facility**).

1. WHAT IS THE SMALL HOLDING SHARE SALE FACILITY?

The Facility allows QUE to sell shares on behalf of shareholders who hold less than a 'marketable parcel' (that is, less than \$500 worth of QUE shares) on a particular date. Such a Facility is often implemented by listed companies to reduce the disproportionately high registry and administrative costs incurred from maintaining Small Holdings on their share registers.

2. DOES QUE HAVE THE RIGHT TO SELL MY QUE SHARES?

Yes. QUE is entitled, under clause 152 of its [Constitution](#) and ASX Listing Rule [15.13](#), to sell the Small Holdings unless the holders of those shares notify QUE in writing by the time specified in this notice that they wish to retain their shares. Sale proceeds must be remitted to the shareholders whose Small Holdings have been sold.

3. YOUR CHESS SPONSORED HOLDING WILL BE CONVERTED TO AN ISSUER SPONSORED HOLDING

If your Small Holding is sponsored by a broker or non-broker participant in CHESS, and your shares are to be sold under this Facility, the Company will convert your shareholding to the Issuer Sponsored sub register in order to effect the sale of your Small Holding. Your broker or non-broker participant will be advised of the conversion.

4. WHAT IF I DON'T WANT MY QUE SHARES TO BE SOLD?

If you wish to retain your QUE shares, you **MUST** complete the Share Retention Form and return it so that it is received by QUE's Share Registrar:

Advanced Share Registry Services
110 Stirling Highway
Nedlands Western Australia 6009

PO Box 1156
Nedlands Western Australia 6909

no later than the Due Date of 5:00pm (Perth time) on Wednesday, 23 November 2016.

If you do so, your shares will not be sold under this Facility.

5. WHAT ARE THE COSTS OF HAVING MY QUE SHARES SOLD ON MY BEHALF?

No brokerage or other transaction costs are payable by shareholders whose Small Holdings are sold under the Facility. These costs will be paid by QUE. You do not need to appoint a broker. Taxation consequences arising from the sale of your shares under the Facility will be your responsibility.

6. WHEN WILL MY QUE SHARES BE SOLD?

Sales of shares will occur on ASX and are expected to occur as soon as practicable after the Due Date on Wednesday, 23 November 2016, having regard to liquidity in QUE shares and as market conditions dictate. The Board will determine the time when your shares are sold. You will not have control over the time at which your shares are sold.

7. WHAT PRICE WILL I RECEIVE FOR SHARES SOLD UNDER THE FACILITY?

The price that you receive for your shares under the Facility will be determined by when and how the shares are sold. The Company Directors will endeavour to sell your shares on market and the sale price will depend on a number of factors, including market conditions at the time of sale.

Your shares will be pooled with all other on-market sales of Small Holdings and the price paid to you will be the volume-weighted average price achieved for the on-market sale of all the Small Holdings. That is, for each share sold, you will receive an amount equal to the total proceeds from all shares sold under the Facility, divided by the total number of shares sold under the Facility.

The sale price may be different from the price appearing in the newspaper or quoted by ASX on any day and may not be the best price on the day that your shares are sold.

8. WHAT IS THE PRICE OF QUE SHARES?

The last sale price of QUE shares on the Record Date was 5.2 cents. The price of QUE shares is subject to change and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under ASX Code "[QUE](#)".

9. WHEN AND HOW WILL THE PROCEEDS FROM THE SALE OF SHARES BE SENT TO ME?

As soon as practicable after the sale of all aggregated Small Holdings, the Company will send you a Notice of Sale containing details of the sale for your taxation records and an Australian dollar (AUD) cheque for your share of the sale proceeds. The Notice of Sale and proceeds cheque will be posted to your address as shown in the share register at the time.

If your whereabouts are not known to the Company (including if the notice is returned to sender), updated contact details are not received or if payment cheques are not presented within the applicable prescribed period, funds will be paid to ASIC as 'unclaimed monies' in accordance with applicable laws and it will be necessary for you to apply to ASIC for payment in accordance with the procedures for unclaimed monies.

10. WHAT IF I BUY MORE SHARES OR MY SHARES INCREASE IN VALUE TO \$500 OR MORE?

If you acquire further shares which increase the market value of your holding of QUE shares to \$500 or more (under the same name and address and with the same SRN or HIN set out in the enclosed personalised Share Retention Form) or the value of your existing holding increases to \$500 or more (via an increase in the QUE share price, the consolidation/amalgamation of your multiple holdings or otherwise) as at the time of the proposed sale by the Company under the Facility, your shares will not be sold.

Any additional shares acquired must be registered by the Due Date of 5:00pm (Perth time) on Wednesday, 23 November 2016.

OTHER IMPORTANT INFORMATION

- The Company reserves the right to vary, delay or terminate this Facility or change any of the dates in this notice by announcement to ASX.
- The Company is not bound to sell any or all of your Small Holding under this Facility and there is no guarantee that the Company will be able to sell all or any of your shares.
- The sale proceeds may differ from the market value of shares on the Record Date, depending on movements in the market price of the shares and the Company appointed broker's ability to procure purchasers.
- None of the Company (and its Directors), the broker appointed to sell the shares, Advanced Share Registry Services nor any other person involved in the Facility shall be liable for failure to sell shares under this Facility at a particular price or at all.
- None of the Company or Advanced Share Registry Services, or any of their respective officers, employees or agents, is or is to be taken to be, giving any securities recommendation or investment advice in relation to the Facility (or whether to sell your shares or retain your existing holding), nor do any of them have any obligation to do so.
- If you are in doubt about what to do, you should consult your legal, financial or taxation advisor.

FOR FURTHER INFORMATION CONTACT:

Victor Ho
Company Secretary

Telephone: (08) 9214 9777
Email: cosec@queste.com.au

ENQUIRIES TO

The Company Secretary
Level 2, 23 Ventnor Avenue
West Perth WA 6005

Telephone: (08) 9214 9777
Email: cosec@queste.com.au



RETURN YOUR FORM

By Mail: Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909
By Facsimile: (08) 9262 3723
Telephone: (08) 9389 8033
By Email: admin@advancedshare.com.au

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{
{ }

SRN/HIN: { }

Sub-Register: { }

Name of Sponsoring Broker: { }

Broker Telephone: { }

Shareholding as at Record Date (5 October 2016): { }

Closing (Last Sale) QUE Share Price as at Record Date: 5.2 cents per share

Market Value of Shareholding as at Record Date: \${ }

SHARE RETENTION FORM (TO RETAIN YOUR SHARES UNDER SMALL HOLDING SHARE SALE FACILITY)

IMPORTANT: This is an important document and requires your immediate attention.

- Queste Communications Ltd (**Company** or **QUE**) is implementing a Small Holding Share Sale Facility for shareholders with a parcel of shares in the Company which is valued at less than \$500 (**Facility**).
- The letter dated 6 October 2016 accompanying this Form sets out further details about the Facility.
- The mechanics of this Facility require you to advise the Company (by returning this Form) by the Due Date of 5:00pm, Perth time, on Wednesday, 23 November 2016 (being approximately 6 weeks from when this notice was sent to you), that you do NOT wish your Small Holding shares to be sold. If this Form is not received by the Due Date, the Company will arrange for your shares to be sold through this Facility.
- If the market value of your holding increases to more than \$500 (at the time of the proposed sale by the Company under this Facility) by on-market purchases, an increase in the QUE share price, via the consolidation/amalgamation of your multiple holdings or otherwise, then your holding will not be sold under the Facility.

If you are in any doubt as to how to deal with this Form, you should consult your professional advisor.

A. Retention of Shares (mark ☒ to indicate you wish to retain your shares)

I/We hereby give notice under the Facility that we would like to retain my/our shares

☐

By completing, signing and returning this Form, I/we confirm that I/we understand that my/our shares **WILL NOT BE SOLD** under the Facility.

B. Contact Details

Please provide your contact details should we need to speak to you about your Form.

Contact Name

Daytime Telephone

After Hours Telephone

Email Address

C. Change of Address

☐

mark ☒ if you want to make any changes to your address details (refer overleaf)

D. Please Sign Here

This section *must* be properly signed (refer overleaf) to enable your instructions to be implemented

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

THIS FORM MUST BE RECEIVED BY NO LATER THAN 5.00PM PERTH TIME ON WEDNESDAY, 23 NOVEMBER 2016
Refer overleaf for further instructions on how to complete this form

INSTRUCTIONS FOR COMPLETING SHARE RETENTION FORM

REGISTRATION DETAILS – NAME AND ADDRESS, SHAREHOLDING AND MARKET VALUE AS AT RECORD DATE

SRN/HIN - this is your holder number for the purposes of identifying you on the Company's share register.

SUBREGISTER – if your holding is on the CHESS subregister and you require any amendments to your registration details, then you must notify your Sponsoring Broker. ISSUER Sponsored holders should contact our Share Registrar, Advanced Share Registry Services, whose details are on the front of this Form.

Based on the Company's 5.2 cents closing (last sale) share price on ASX on 5 October 2016 (the Record Date), a Small Holding is 9,615 shares or less. The number of Small Holding shares you hold is set out here.

CHANGE OF ADDRESS

Your pre-printed name and address is as it appears on the share register of the Company. If this information is incorrect, please mark the box at **Section C** of the Form and make the correction at the top of the Form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

CONSOLIDATION OF HOLDINGS

If you have more than one holding on the Company's share register, you should consider consolidating them.

You can download a '[Consolidation of Holdings Form](http://www.queste.com.au/report/Forms)' from the Company's website: www.queste.com.au in the '[Forms](http://www.queste.com.au/report/Forms)' section (URL: <http://www.queste.com.au/report/Forms>)

Note: If any of your holdings you wish to consolidate is held on the CHESS subregister, you must contact your Sponsoring Broker to arrange the consolidation

RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

CONTACT DETAILS

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm. We may use this number to contact you regarding completion of this Form.

SIGNING INSTRUCTIONS

You must sign this Form as follows in the spaces provided at **Section D**:

- | | |
|---------------------------|--|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the shareholders should sign. |
| Power of Attorney: | If you are signing under a Power of Attorney, you must lodge an original or certified copy of the appropriate Power of Attorney with your completed Form. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

HOW TO LODGE YOUR SHARE RETENTION FORM

Your completed Share Retention Form can be mailed or delivered to either of the below addresses for the Company's Share Registrar. Please ensure your Form is received by the registry no later than 5.00pm Perth time on Wednesday, 23 November 2016.

Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia

By Facsimile: (08) 9262 3723

or

Suite 8H, 325 Pitt Street
Sydney, New South Wales

**YOUR SHARE RETENTION FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM PERTH TIME ON WEDNESDAY, 23 NOVEMBER 2016**