

10 AUGUST 2010

ASX Code QSS

MARKET UPDATE

Questus Funds Management Limited (QFML) is a wholly owned subsidiary of Questus Limited (Questus) and is the Responsible Entity for the Questus Land Development Fund (the Fund).

As previously disclosed QFML on behalf of the Fund has been seeking to refinance the expired debt facilities in the Fund's wholly owned subsidiary companies (the Projects).

QFML in the past eight months has raised A\$7,000,000 which has been applied to capital repayments and interest on the senior bank debt facilities (Facilities) for the Projects.

Questus wishes to advise Shareholders of the Company and Unitholders of the Fund, that today QFML has entered into a Memorandum of Understanding with Addwealth Pty Ltd (Addwealth) to allow the Fund to achieve a refinancing of the Facilities for the Projects.

Addwealth has been a major supporter of the Fund since its inception and has a considerable number of clients as Unitholders in the Fund. Addwealth has offered its further financial support and guarantees to the Fund enabling a refinancing of the Facilities for the Projects.

In order to achieve the refinance of the Facilities for the Projects; the Board of QFML have agreed and will recommend to Unitholders that a new Responsible Entity as nominated by Addwealth be appointed to the Fund; QFML will continue to assist Addwealth in its capacity as manager for the Projects.

The Board of Questus believes that the appointment of a new Responsible Entity is in the best interests of all Unitholders. This will allow for the recapitalisation of the Fund and the way forward for the refinancing of the facilities for the Projects.

A Notice of Meeting and Explanatory Memorandum will be issued to all Unitholders of the Fund to approve the appointment of the new Responsible Entity.

This restructure will also allow the Questus team to continue its focus on its core activities including participation in the National Rental Affordability Scheme through its products – the Questus Residential Investment Fund and proposed wholesale investment trust, the Australian Residential Housing Trust.

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About Questus Limited

Questus Limited (QSS) is an Australian Securities Exchange listed Western Australian based funds and investment company.

Questus Limited is focused on providing innovative investment solutions for a range of investment funds, property based trusts, syndicates, super fund property warrants and capital structuring services.

Questus was founded in 2003 and brings a wealth of experience and an established reputation in developing innovative and boutique investment products for the wholesale and retail investment markets.

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