

Date: 31st January 2011

Clarification on Appendix 4C for quarters ended 30 June 2010 and 30 September 2010

This is to advise that there was an audit adjustment after the Company lodged Appendix 4C for the quarter ended 30/06/2010, which was not included into consideration for that Appendix 4C. The adjustment increased "Cash at end of quarter" and also "Borrowings" by \$2,045,000. Thus, the "Cash at beginning of quarter" for the quarter July to September 2010 was reported as \$2,734,000 instead of \$689,000.

The year-to-date "Cash beginning balance" and "Repayment of Borrowings" have been corrected on the Appendix 4C report for quarter ended at 31/12/2010.

Yours sincerely,



Drew Townsend

Chairman of the Board

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Quantum Energy Limited

ABN

19 003 677 245

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	14,039	42,752
1.2 Payments for (a) Staff Amenities	(16)	(22)
(b) Salary	(3,287)	(5,648)
(c) Motor Vehicle Allowances	(77)	(156)
(d) Commissions	(90)	(149)
(e) Payroll Tax	(140)	(214)
1.3 Other Income received	36	58
1.4 Interest and other items of a similar nature received	18	40
1.5 Interest and other costs of finance paid	(331)	(686)
1.6 Income taxes paid	(266)	(995)
1.7 Other – payment to suppliers	(13,825)	(25,452)
Net operating cash flows	(3,939)	9,528

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(3,939)	9,528
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(1,915)	(1,915)
(c) intellectual property		
(d) physical non-current assets	(134)	(139)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(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)		
	(2,049)	(2,054)
Net investing cash flows		
1.14 Total operating and investing cash flows	(5,988)	7,474
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	(3,488)	(7,183)
1.19 Dividends paid		
1.20 Other (provide details if material)		
	(3,488)	(7,183)
Net financing cash flows		
Net increase (decrease) in cash held	(9,476)	291
1.21 Cash at beginning of quarter/year to date	10,456	689
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	980	980

+ See chapter 19 for defined terms.

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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	164
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

The amount in item 1.24 includes:

- Payment to the Managing Director, Mr Sidney
- Payment to the Company Secretary, Mr Walstab

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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	15,352	15,312

On 22 June 2009, the company secured a new commercial bill facility for A\$2,500,000 from its banker. As previously disclosed in February 2009 the company increased its overdraft facility to A\$3,000,000 from A\$1,250,000.

On 26 October 2009, the company secured a commercial bill for A\$810,000 from its banker.

On 08 December 2009, its overdraft facility was increased by its banker from A\$3,000,000 to A\$6,000,000.

And on 22 February 2010, the company secured a new commercial bill facility for A\$7,500,000 from its banker while its overdraft facility was decreased by its bank from A\$6,000,000 to A\$3,000,000.

On 01 April 2010, the company secured another commercial bill facility for A\$4,500,000 from its banker.

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Appendix 4C
Quarterly report for entities
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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,940	10,456
4.2 Deposits at call	-	-
4.3 Bank overdraft	(2,960)	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	980	10,456

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

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 31 January 2011

Print name: Drew Townsend

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.