

26 October 2011

ASX Code QSS

ASX ANNOUNCEMENT

Further to the Company's announcements of 30 September and 3 October 2011, the Company has entered into a formal convertible note deed (Deed) with Impact Group QLD Pty Ltd ("Impact"). The terms of the Deed are essentially the same as previously announced, however a clause has been inserted providing that the maximum number of shares to be issued under the convertible note to Impact is 5 million shares.

An amended Appendix 3B is attached to this announcement to clarify that only 1 convertible note was issued to Impact.

ENDS

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.

For further information contact:

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Company Secretary
Questus Limited
T: +61 8 6310 5040

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Questus Limited

ABN

26 100 460 035

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Unsecured Convertible Note |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1). Convertible note with a conversion price of 20% discount to the 90 day VWAP per share and a term of 12 months; 2). Non-Interest bearing; and 3). Conversion to shares is at noteholder's discretion. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | | |
|---|---|---|----------------------------|
| 4 | <p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Shares issued as a result of the conversion of the Notes will rank equally with existing Fully Paid Ordinary Shares on issue. | |
| 5 | Issue price or consideration | Total consideration of \$500,000 | |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | To provide additional working capital. | |
| 7 | Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates | 30 th September 2011 | |
| 8 | Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable) | Number | ⁺ Class |
| | | 40,426,701 | Fully Paid Ordinary Shares |

⁺ See chapter 19 for defined terms.

| | Number | +Class |
|---|---|---|
| 9 | Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | |
| | 5,000,000 | Unlisted Options exercisable at \$0.50 each on or before 31 st December 2012 |
| | 810,000 | Unlisted Options exercisable at \$0.06 each on or before 4 th January 2012 |
| | 4,590,000 | Unlisted Options exercisable at \$0.05 each on or before 13 th January 2014 |
| | 5,000,000 | Unsecured Convertible Notes convertible @ \$0.10 cents per share expiring on 28 February 2012 |
| | 1 | Unsecured \$500,000 Convertible Note convertible at 20% discount to the 90days VWAP per share expiring on 29 September 2012 convertible to a maximum of 5,000,000 shares. |

| | | |
|----|--|----------------|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Not applicable |
|----|--|----------------|

Part 2 - Bonus issue or pro rata issue

| | | |
|----|--|----------------|
| 11 | Is security holder approval required? | Not Applicable |
| 12 | Is the issue renounceable or non-renounceable? | Not Applicable |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|--|----------------|
| 13 | Ratio in which the ⁺ securities will be offered | Not Applicable |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | Not Applicable |
| 15 | ⁺ Record date to determine entitlements | Not Applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not Applicable |
| 17 | Policy for deciding entitlements in relation to fractions | Not Applicable |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | Not Applicable |
| 19 | Closing date for receipt of acceptances or renunciations | Not Applicable |
| 20 | Names of any underwriters | Not Applicable |
| 21 | Amount of any underwriting fee or commission | Not Applicable |
| 22 | Names of any brokers to the issue | Not Applicable |
| 23 | Fee or commission payable to the broker to the issue | Not Applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | Not Applicable |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | Not Applicable |

+ See chapter 19 for defined terms.

| | | |
|----|---|----------------|
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | Not Applicable |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not Applicable |
| 28 | Date rights trading will begin (if applicable) | Not Applicable |
| 29 | Date rights trading will end (if applicable) | Not Applicable |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | Not Applicable |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not Applicable |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | Not Applicable |
| 33 | ⁺ Despatch date | Not Applicable |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- | | | |
|----|---|----------------|
| 38 | Number of securities for which +quotation is sought | Not Applicable |
| 39 | Class of +securities for which quotation is sought | Not Applicable |
| 40 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Not Applicable |

+ See chapter 19 for defined terms.

| | | |
|----|--|----------------|
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p> | Not Applicable |
|----|--|----------------|

| 42 | Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38) | Number | ⁺ Class |
|----|--|----------------|--------------------|
| | | Not Applicable | Not Applicable |

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company Secretary)

Date: 26 October 2011

Print name: Elizabeth Lee

+ See chapter 19 for defined terms.