



HALF YEAR REPORT

31 December 2009

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2009 ANNUAL REPORT OF THE COMPANY



www.queste.com.au

ASX Code: QUE

QUESTE COMMUNICATIONS LTD

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CORPORATE DIRECTORY

BOARD

Farooq Khan	(Chairman & Managing Director)
Simon Cato	(Director)
Azhar Chaudhri	(Director)
Yaqoob Khan	(Director)

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

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221 St Georges Terrace
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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

AUDITORS

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APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3.

Current Reporting Period: 1 July 2009 to 31 December 2009
 Previous Corresponding Period: 1 July 2008 to 31 December 2008
 Balance Date: 31 December 2009 (comparative 30 June 2009)
 Company: Queste Communications Ltd (**Questa** or **QUE**)
 Consolidated Entity: Queste and controlled entities, being Orion Equities Limited (ACN 000 742 843) (**Orion** or **OEQ**) and controlled entities of Orion.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Consolidated			Company		
	Dec 2009	Dec 2008	%	Dec 2009	Dec 2008	%
	\$	\$	Change	\$	\$	Change
Total revenues	7,896,020	17,969,699	-56%	68,736	168,683	-59%
Total expenses	(2,844,104)	(36,004,899)	-92%	(431,045)	(433,028)	0%
Profit/(Loss) before tax	5,051,916	(18,035,200)	-128%	(362,309)	(264,345)	37%
Income tax benefit/(expense)	(849,387)	4,108,607	-97%	304,645	12,626	-100%
Profit/(Loss) from continuing operations	4,202,529	(13,926,593)	-137%	(57,664)	(251,719)	-77%
Loss from discontinued operations	-	(6,076)	-100%	-	-	unchanged
Profit/(Loss) for the year	4,202,529	(13,932,669)	-137%	(57,664)	(251,719)	-77%
Net profit/(loss) attributable to minority interests	(2,213,573)	7,132,596	-131%	-	-	unchanged
Profit/(Loss) after tax attributable to members of the Company	1,988,956	(6,800,073)	-144%	(57,664)	(251,719)	-77%
Basic earnings/(loss) per share (cents)	14.0	(47.0)	-130%	(0.2)	(0.8)	-77%
Diluted earnings/(loss) per share (cents)	8.7	n/a	-	n/a	n/a	-
	Dec 2009	Jun 2009		Dec 2009	Jun 2009	
Undiluted NTA backing per share (cents)	49.19	42.54	23%	24.22	22.71	7%
Diluted NTA Backing per share (cents)	38.04	33.94	18%	22.61	21.68	4%

Note: In % Change columns:

"+" means "Up" from previous corresponding period or balance date (as the case may be).

"-" means "Down" from previous corresponding period or balance date (as the case may be).

APPENDIX 4D HALF YEAR REPORT

BRIEF EXPLANATION OF RESULTS

NTA backings at the Consolidated Entity level are reported net of minority interests.

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, Orion Equities Limited (Orion or OEQ).

At the Company level:

Total revenues of \$68,736 include:

- (1) \$17,517 dividend income (December 2008: \$46,581); and
- (2) \$41,745 interest received (December 2008: \$113,147).

Total expenses of \$431,045 include:

- (1) \$251,275 personnel expenses (December 2008: \$226,892); and
- (2) \$49,177 net change in fair value of financial assets (December 2008: \$49,692).

Please refer to the Directors' Report and Financial Report for further information on a review of the operations and the financial position and performance of Queste for the half year ended 31 December 2009.

DIVIDENDS

The Company is not in a position to pay an interim dividend.

ASSOCIATE ENTITIES

The Company did not gain or lose an interest in an associate or joint venture entity during the half year.

CONTROLLED ENTITIES

The Company did not gain or cease control of any entities during the half year.

For and on behalf of the Directors,



Victor Ho
Company Secretary
Telephone: (08) 9214 9777

Date: 26 February 2010

Email: vho@queste.com.au

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd (**Company** or **Queste**) and its controlled entities (the **Consolidated Entity**) for the half year ended 31 December 2009 (**Balance Date**).

Queste is a public company limited by shares that is incorporated and domiciled in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since November 1998.

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, Orion Equities Limited (**Orion Equities** or **OEQ**). The Company has a 48% shareholding interest in Orion (30 June 2009: 48%).

OPERATING RESULTS

	Consolidated		Company	
	Dec 2009	Dec 2008	Dec 2009	Dec 2008
	\$	\$	\$	\$
Total revenues	7,896,020	17,969,699	68,736	168,683
Total expenses	(2,844,104)	(36,004,899)	(431,045)	(433,028)
Profit/(Loss) before tax	5,051,916	(18,035,200)	(362,309)	(264,345)
Income tax benefit/(expense)	(849,387)	4,108,607	304,645	12,626
Profit/(Loss) from continuing operations	4,202,529	(13,926,593)	(57,664)	(251,719)
Loss from discontinued operations	-	(6,076)	-	-
Profit/(Loss) for the year	4,202,529	(13,932,669)	(57,664)	(251,719)
Net profit/(loss) attributable to minority interests	(2,213,573)	7,132,596	-	-
Profit/(Loss) after tax attributable to members of the Company	1,988,956	(6,800,073)	(57,664)	(251,719)
Basic earnings/(loss) per share (cents)	14.0	(47.0)	(0.2)	(0.8)

At the Company level:

Total revenues of \$68,736 include:

- (1) \$17,517 dividend income (December 2008: \$46,581); and
- (2) \$41,745 interest received (December 2008: \$113,147).

Total expenses of \$431,045 include:

- (1) \$251,275 personnel expenses (December 2008: \$226,892); and
- (2) \$49,177 net change in fair value of financial assets (December 2008: \$49,692).

DIRECTORS' REPORT

EARNINGS/(LOSS) PER SHARE

	Consolidated Entity		Company	
	Dec 2009	Dec 2008	Dec 2009	Dec 2008
Basic earnings/(loss) per share (cents)	14.0	(47.0)	(0.2)	(0.8)
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic earnings per share	29,927,379	29,655,393	29,927,379	29,655,393

The Company's 20,000,000 partly paid ordinary shares, to the extent that they have been paid (1.5225 cents per share), have been included in the determination of the basic earnings per share.

DIVIDENDS

The Directors have not declared an interim dividend.

FINANCIAL POSITION

	Consolidated Entity		Company	
	Dec 2009	Jun 2009	Dec 2009	Jun 2009
Cash	3,114,030	3,440,088	2,411,635	3,197,931
Current investments	12,733,870	7,925,039	505,850	41,118
Non-current investments	-	-	4,407,435	3,679,995
Investments in Associate entity	8,216,072	6,851,980	-	-
Inventory	1,500,000	2,450,000	-	-
Receivables	219,943	97,573	9,577	63,717
Intangibles	623,121	623,121	-	-
Deferred tax assets	2,583,255	1,295,073	560,063	255,418
Other assets	2,864,596	3,519,422	18,017	19,978
Total Assets	31,854,887	26,202,296	7,912,577	7,258,157
Tax liabilities (current and deferred)	(3,864,241)	(1,727,505)	(473,650)	(255,418)
Other payables and liabilities	(658,891)	(1,345,565)	(190,110)	(205,467)
Net Assets	27,331,755	23,129,226	7,248,817	6,797,272
Issued capital	6,192,427	6,192,427	6,192,427	6,192,427
Reserves	2,445,645	2,445,645	3,228,380	2,719,171
Non-controlling interest	12,611,677	10,398,104	-	-
Retained earnings/(Accumulated losses)	6,082,006	4,093,050	(2,171,990)	(2,114,326)
Total Equity	27,331,755	23,129,226	7,248,817	6,797,272

DIRECTORS' REPORT

SECURITIES IN THE COMPANY

At the date of this report, the Company has the following securities on issue:

- (i) 28,404,879 listed fully paid ordinary shares; and
- (ii) 20,000,000 unlisted partly paid ordinary shares, each paid to 1.5225 cent with 18.4775 cents per partly paid ordinary share outstanding (or \$3,695,000 in total).

There were no securities issued or granted by the Company during or since the financial half year.

The terms of issue of the partly paid shares are disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998.

REVIEW OF OPERATIONS

Orion Equities Limited (OEQ)

Controlled entity, Orion Equities Limited is an ASX listed investment entity (ASX Code: OEQ).

The Company holds 8,558,127 shares in Orion Equities, being 48.04% of its issued ordinary share capital (30 June 2009: 8,558,127 shares or 48.04%). Orion Equities has been recognised as a controlled entity and included as part of the Consolidated Entity's results since 1 July 2002.

Queste shareholders are advised to refer to the 31 December 2009 Directors Report and financial statements and monthly NTA disclosures lodged by Orion Equities for further information about the status and affairs of such company.

Information concerning Orion Equities may be viewed from its website: www.orionequities.com.au.

Orion Equities' market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "OEQ".

DIRECTORS' REPORT

DIRECTORS

Information concerning Directors in office during or since the half year are:

Farooq Khan	Executive Chairman and Managing Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BJuris , LLB. (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	6,113,944 shares
<i>Special Responsibilities</i>	Chairman of the Board and Managing Director
<i>Other current directorships in listed entities</i>	Current Chairman of: (1) Bentley Capital Limited (since 2 December 2003) (2) Orion Equities Limited (since 6 October 2006) Current Executive Director of: (3) Strike Resources Limited (since 9 September 1999) (4) Alara Resources Limited (since 14 May 2007) Current Non-Executive Director of: (5) Interstaff Recruitment Limited (since 27 April 2006)

Azhar Chaudhri	Non-Executive Director
<i>Appointed</i>	4 August 1998
<i>Qualifications</i>	Bachelor of Science degree in Maths and Physics and a Masters degree in Economics and postgraduate computer studies
<i>Experience</i>	Mr Chaudhri has considerable expertise in computer systems, analysis and design and advanced programming experience, particularly with respect to business and information technology systems and Data Base computing. In particular Mr Chaudhri has formed and led software development teams creating integrated database and management information systems for utilities, local government land tax departments, hospitals, libraries and oil terminals.
<i>Relevant interest in shares</i>	4,337,780 shares 20,000,000 partly paid shares
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	None

DIRECTORS' REPORT

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	157,920 shares
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Orion Equities Limited (since 5 November 1999).

Simon K. Cato	Non-Executive Director
<i>Appointed</i>	6 February 2008
<i>Qualifications</i>	B.A. (<i>USYD</i>)
<i>Experience</i>	Mr Simon Cato has had over 25 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth. Over the last 17 years he has been an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he has also been involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.
<i>Relevant interest in shares</i>	193,000 shares
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Current Chairman of: <ul style="list-style-type: none"> (1) Convergent Minerals Limited (since 25 July 2006) (2) Advanced Share Registry Services Limited (since 22 August 2007) Current Director of: <ul style="list-style-type: none"> (3) QED Occtech Limited (since 24 February 2010) (4) Greenland Minerals and Energy Ltd (since 21 February 2006) (5) Bentley Capital Limited (since 5 February 2004)

DIRECTORS' REPORT

COMPANY SECRETARY

Information concerning the Company Secretary in office during or since the half year are:

Victor P. H. Ho	Company Secretary
<i>Appointed</i>	30 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Ho has been in executive and company secretarial roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law, stock exchange compliance and shareholder relations.
<i>Relevant interest in shares</i>	17,500 shares
<i>Other positions held in listed entities</i>	Current Executive Director and Company Secretary of: <ol style="list-style-type: none"> (1) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003) Current Company Secretary of: <ol style="list-style-type: none"> (2) Strike Resources Limited (since 9 March 2000) (3) Bentley Capital Limited (since 5 February 2004) (4) Alara Resources Limited (since 4 April 2007)

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 10. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Farooq Khan
Chairman and Managing Director



Simon Cato
Director

26 February 2010

26 February 2010

Board of Directors
Queste Communications Limited
Level 14, The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF QUESTE COMMUNICATIONS LIMITED

As lead auditor for the review of Queste Communications Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Queste Communications Limited and the companies it controlled during the period.



Chris Burton
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the half year ended 31 December 2009

	Note	Consolidated Entity		Company	
		31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
		\$	\$	\$	\$
Revenue from continuing operations		961,586	471,735	59,262	159,728
Other income	2	6,934,434	17,497,964	9,474	8,955
Total revenue from continuing operations		7,896,020	17,969,699	68,736	168,683
Cost of investments sold	2	(9,990)	34,346	(292)	(3,050)
Net change in fair value of financial assets	2	-	(30,917,808)	(49,177)	(49,692)
Cost of land development and impairment	2	(972,377)	(1,236,271)	-	-
Cost of olive grove operations	2	(937,774)	(445,447)	-	-
Occupancy expenses	2	(35,291)	(28,595)	(2,236)	(11,641)
Finance expenses	2	(4,983)	(3,003)	(1,301)	(1,905)
Corporate expenses	2	(76,067)	(74,658)	(46,891)	(55,224)
Administration expenses					
- personnel	2	(572,014)	(611,293)	(275,777)	(241,422)
- others	2	(235,608)	(245,319)	(55,371)	(70,094)
Share of Associate entity's losses	2	-	(2,476,851)	-	-
Profit/(Loss) before income tax expense		5,051,916	(18,035,200)	(362,309)	(264,345)
Income tax benefit/(expense)		(849,387)	4,108,607	304,645	12,626
Profit/(Loss) from continuing operations		4,202,529	(13,926,593)	(57,664)	(251,719)
Loss from discontinued operations	3	-	(6,076)	-	-
Profit/(Loss) after income tax expense		4,202,529	(13,932,669)	(57,664)	(251,719)
Other comprehensive income					
Changes in fair value of available for sale assets		-	-	727,441	(4,578,598)
Income tax relating to components of other comprehensive income		-	-	(218,232)	1,373,579
Other comprehensive income, net of tax		-	-	509,209	(3,205,019)
Total comprehensive income for the half year		4,202,529	(13,932,669)	451,545	(3,456,738)
Profit/(Loss) attributable to:					
Owners of Queste Communications Ltd		1,988,956	(6,800,073)	(57,664)	(251,719)
Non-controlling interest		2,213,573	(7,132,596)	-	-
		4,202,529	(13,932,669)	(57,664)	(251,719)
Total comprehensive income attributable to:					
Owners of Queste Communications Ltd		1,988,956	(6,800,073)	451,545	(3,456,738)
Non-controlling interest		2,213,573	(7,132,596)	-	-
		4,202,529	(13,932,669)	451,545	(3,456,738)
Earnings/(Loss) per share for loss from continuing operations attributable to the ordinary equity holders of the company					
Basic earnings/(loss) per share	5	14.0	(47.0)		
Diluted earnings/(loss) per share		8.7	n/a		
Earnings/(Loss) per share for loss attributable to the ordinary equity holders of the company					
Basic earnings/(loss) per share	5	14.0	(47.0)		

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 December 2009

		Consolidated Entity		Company	
	Note	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	3,114,030	3,440,088	2,411,635	3,197,931
Trade and other receivables		219,943	97,573	9,577	63,717
Financial assets at fair value through profit and loss	7	12,733,870	7,925,039	505,850	41,118
Inventory		256,883	842,148	-	-
Other		93	5,294	-	-
TOTAL CURRENT ASSETS		16,324,819	12,310,142	2,927,062	3,302,766
NON CURRENT ASSETS					
Trade and other receivables		32,823	32,823	-	-
Inventory		1,500,000	2,450,000	-	-
Available for sale financial assets		-	-	4,407,435	3,679,995
Investments in Associate entity (equity accounted)	8	8,216,072	6,851,980	-	-
Property, plant and equipment		2,181,717	2,246,077	18,017	19,978
Olive trees		393,080	393,080	-	-
Intangibles		623,121	623,121	-	-
Deferred tax asset		2,583,255	1,295,073	560,063	255,418
TOTAL NON CURRENT ASSETS		15,530,068	13,892,154	4,985,515	3,955,391
TOTAL ASSETS		31,854,887	26,202,296	7,912,577	7,258,157
CURRENT LIABILITIES					
Trade and other payables		503,887	1,193,104	96,888	124,772
TOTAL CURRENT LIABILITIES		503,887	1,193,104	96,888	124,772
NON CURRENT LIABILITIES					
Provision		155,004	152,461	93,222	80,695
Deferred tax liabilities		3,864,241	1,727,505	473,650	255,418
TOTAL NON CURRENT LIABILITIES		4,019,245	1,879,966	566,872	336,113
TOTAL LIABILITIES		4,523,132	3,073,070	663,760	460,885
NET ASSETS		27,331,755	23,129,226	7,248,817	6,797,272
EQUITY					
Issued capital		6,192,427	6,192,427	6,192,427	6,192,427
Reserves		2,445,645	2,445,645	3,228,380	2,719,171
Retained earnings /(Accumulated losses)		6,082,006	4,093,050	(2,171,990)	(2,114,326)
Parent interest		14,720,078	12,731,122	7,248,817	6,797,272
Non-controlling interest		12,611,677	10,398,104	-	-
TOTAL EQUITY		27,331,755	23,129,226	7,248,817	6,797,272

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the half year ended 31 December 2009

<u>Consolidated Entity</u>	Issued Capital \$	Option Premium Reserves \$	Asset Revaluation Reserves \$	Retained Earnings/ Accumulated Losses \$	Non-controlling Interest \$	Total \$
At 1 July 2008	6,087,927	2,138,012	289,581	10,255,994	16,658,490	35,430,004
Loss attributable to members of the Company	-	-	-	(6,800,073)	-	(6,800,073)
Loss attributable to non-controlling interest	-	-	-	-	(7,132,596)	(7,132,596)
Total comprehensive income for the half year	-	-	-	(6,800,073)	(7,132,596)	(13,932,669)
Transactions with owners in their capacity as owners:						
Dividend paid	-	-	-	(121,099)	-	(121,099)
Partly paid shares	104,500	-	-	-	-	104,500
At 31 December 2008	<u>6,192,427</u>	<u>2,138,012</u>	<u>289,581</u>	<u>3,334,822</u>	<u>9,525,894</u>	<u>21,480,736</u>
At 1 July 2009	6,192,427	2,138,012	307,633	4,093,050	10,398,104	23,129,226
Profit attributable to members of the Company	-	-	-	1,988,956	-	1,988,956
Profit attributable to non-controlling interest	-	-	-	-	2,213,573	2,213,573
Total comprehensive income for the half year	-	-	-	1,988,956	2,213,573	4,202,529
At 31 December 2009	<u>6,192,427</u>	<u>2,138,012</u>	<u>307,633</u>	<u>6,082,006</u>	<u>12,611,677</u>	<u>27,331,755</u>

<u>Company</u>	Issued Capital \$	Option Premium Reserves \$	Available for sale Investment Reserves \$	Retained Earnings/ Accumulated Losses \$	Total \$
At 1 July 2008	6,087,927	2,138,012	3,396,783	(2,006,716)	9,616,006
Changes in fair value of available for sale assets (net of tax)	-	-	(3,205,019)	-	(3,205,019)
Net income directly recognised in comprehensive income	-	-	(3,205,019)	-	(3,205,019)
Loss for the half year	-	-	-	(251,719)	(251,719)
Total comprehensive income for the half year	-	-	(3,205,019)	(251,719)	(3,456,738)
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	-	(74,818)	(74,818)
Partly paid shares	104,500	-	-	-	104,500
At 31 December 2008	<u>6,192,427</u>	<u>2,138,012</u>	<u>191,764</u>	<u>(2,333,253)</u>	<u>6,188,950</u>
At 1 July 2009	6,192,427	2,138,012	581,159	(2,114,326)	6,797,272
Changes in fair value of available for sale assets (net of tax)	-	-	509,209	-	509,209
Net income directly recognised in comprehensive income	-	-	509,209	-	509,209
Loss for the half year	-	-	-	(57,664)	(57,664)
Total comprehensive income for the half year	-	-	509,209	(57,664)	451,545
At 31 December 2009	<u>6,192,427</u>	<u>2,138,012</u>	<u>1,090,368</u>	<u>(2,171,990)</u>	<u>7,248,817</u>

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the half year ended 31 December 2009

	Note	Consolidated Entity		Company	
		31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		897,545	311,530	-	-
Payments to suppliers and employees		(2,065,210)	(1,352,817)	(360,213)	(382,074)
Payments for exploration and evaluation		-	(19,224)	-	-
Sale proceeds from trading portfolio		1,059,608	1,141,704	-	-
Payments for trading portfolio		-	(262,740)	-	-
Dividends received		223,655	34,226	17,517	48,981
Income tax paid		(833)	-	-	-
Interest received		55,703	125,079	51,924	113,147
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		170,468	(22,242)	(290,772)	(219,946)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(1,002)	(1,535)	-	(1,535)
Payments for investment securities		(553,883)	(515,737)	(553,883)	(515,737)
Proceeds from sale of investment securities		58,359	610,005	58,359	610,005
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(496,526)	92,733	(495,524)	92,733
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from partly paid shares		-	104,500	-	104,500
Dividends paid		-	(121,099)	-	(74,818)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		-	(16,599)	-	29,682
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(326,058)	53,892	(786,296)	(97,531)
Add opening cash and cash equivalents brought forward		3,440,088	3,839,432	3,197,931	3,321,651
NET CASH AND CASH EQUIVALENTS AT END OF HALF YEAR	6	3,114,030	3,893,324	2,411,635	3,224,120

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in the annual financial statements and shall be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2009 to the date of this report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2009; except as follows:

Operating segment

The Consolidated Entity has applied AASB 8 "Operating Segments" from 1 July 2009. The Consolidated Entity now presents the operating segments based on information that is internally provided to the management. Previously operating segments were determined and presented in accordance with AASB 114 "Segment Reporting". An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. The segment's operating results are reviewed regularly by the management to make decisions on the allocation of resources to the relevant segments and assess performance. Unallocated items comprise mainly corporate assets, office expenses and income tax assets and liabilities. In this financial half year, the operating segments have been determined to be investments comprising of investments in shares, land and Associate entity and the olive grove.

Presentation of financial statements

The Consolidated Entity has applied AASB 101 "Presentation of Financial Statements" which became effective as of 1 January 2009. The Consolidated Entity presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement in comprehensive income. This presentation has been applied in these interim financial statements as of and for the six months period ended on 31 December 2009.

2. PROFIT/(LOSS) FOR THE HALF YEAR

Profit/(loss) for the half year includes the following items of revenue and expenses below. Included are the revenue and expenses of discontinued operations of Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd, wholly owned subsidiaries of Orion Equities Limited, disposed on 11 August 2008 (refer to Note 3).

	Consolidated Entity		Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
(a) Revenue from continuing operations	\$	\$	\$	\$
Dividend received	18,517	35,130	17,517	46,581
Income from sales - olive grove operations	897,545	311,530	-	-
Interest received - other	45,524	125,075	41,745	113,147
	<u>961,586</u>	<u>471,735</u>	<u>59,262</u>	<u>159,728</u>
Other income				
Net change in fair value of financial assets	6,243,046	-	-	-
Share of Associate entity's profits	1,569,230	-	-	-
Gain on sale of subsidiaries	-	16,961,679	-	-
Gain on sale of investments portfolio	9,474	8,955	9,474	8,955
Gain/(loss) on sale of trading portfolio	(887,316)	527,330	-	-
	<u>6,934,434</u>	<u>17,497,964</u>	<u>9,474</u>	<u>8,955</u>
Total revenue	<u>7,896,020</u>	<u>17,969,699</u>	<u>68,736</u>	<u>168,683</u>
(b) Revenue from discontinued operations				
Interest received - other	-	4	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

2. PROFIT/(LOSS) FOR THE HALF YEAR (continued)

	Consolidated Entity		Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$	\$	\$	\$
(c) Expenses from continuing operations				
Cost of olive grove operations	937,774	445,447	-	-
Cost of land development	22,377	36,271	-	-
- Impairment valuation of land	950,000	1,200,000	-	-
Net change in fair value of financial assets	-	30,917,808	49,177	49,692
Cost of investments sold				
- brokerage cost	9,990	(34,346)	292	3,050
Operating expenses				
Occupancy expenses	35,291	28,595	2,236	11,641
Finance expenses	4,983	3,003	1,301	1,905
Corporate expenses				
Consultancy	23,746	45,391	23,746	28,862
Professional fees	29,176	7,980	-	-
Other corporate expenses	23,145	21,287	23,145	26,362
Administration expenses				
Depreciation - olive grove assets	61,736	76,460	-	-
Depreciation - other assets	3,626	4,181	1,960	1,967
Fixed assets write off	1,200	135	-	11
Personnel expenses - other	575,099	575,499	251,275	226,892
Employee entitlements	(3,085)	35,794	24,502	14,530
Investment costs	22,654	-	-	-
Other administrative expenses	146,392	146,119	53,411	68,116
Exploration and evaluation expenses	-	18,424	-	-
Share of Associate entities' losses	-	2,476,851	-	-
	2,844,104	36,004,899	431,045	433,028
(d) Expenses from discontinued operations				
Finance expenses	-	205	-	-
Other corporate expenses	-	5,075	-	-
Exploration and evaluation expenses	-	800	-	-
	-	6,080	-	-

3. DISCONTINUED OPERATIONS

On 11 August 2008, controlled entity, Orion Equities Limited (OEQ) disposed of its mining assets via the sale of its subsidiaries, Orion Indo Mining Pty Ltd and Central Exchange Mining Ltd to Strike Resources Limited (Strike) in consideration for the issue of 9,500,000 ordinary shares in Strike. Financial information relating to the discontinued operations of the subsidiaries from 1 July 2008 to the date of cessation is set out below.

Financial information relating to the discontinued operation, which has been incorporated into the Statement of Comprehensive Income, is as follows:

	Consolidated Entity		Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$	\$	\$	\$
Revenue	-	4	-	-
Expenses	-	(6,080)	-	-
Loss before income tax	-	(6,076)	-	-
Income tax expense	-	-	-	-
Loss after income tax	-	(6,076)	-	-
Gain on sale of subsidiary	-	16,961,679	-	-
Income tax expense	-	-	-	-
Gain on sale of subsidiary after tax	-	16,961,679	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

3. DISCONTINUED OPERATIONS (continued)

	Consolidated Entity		Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$	\$	\$	\$
The carrying amounts of assets and liabilities of the operation at the date of cessation were:				
Total assets	-	1,767,013	-	-
Total liabilities	-	(13,692)	-	-
Net assets	-	1,753,321	-	-
The net cash flows of the business, which have been incorporated into the Statement of Cash Flows, are as follows:				
Net cash outflow from operating activities	-	(40,791)	-	-
Net cash inflow from investing activities	-	77,121	-	-
Net increase/(decrease) in cash from businesses	-	36,330	-	-

Details of sale of subsidiaries

Consideration received:

Shares

Carrying amount of net assets sold

Gain on sale before income tax

Income tax expense

Gain on sale after income tax

-	18,715,000	-	-
-	18,715,000	-	-
-	(1,753,321)	-	-
-	16,961,679	-	-
-	-	-	-
-	16,961,679	-	-

4. DIVIDENDS

	Date paid	Consolidated Entity		Company	
		31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
		\$	\$	\$	\$
Declared and paid during the year					
<u>Dividends on ordinary shares</u>					
by OEQ - 0.5 cents per share fully franked	21-Sep-08	-	46,281	-	-
		-	46,281	-	-
Franking credit balance		2,209,823	2,517,648	168,982	202,076

5. EARNINGS/(LOSS) PER SHARE

	Consolidated Entity	
	31 Dec 09	31 Dec 08
	cents	cents
Basic earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	14.0	(47.0)
From discontinued operations	-	(0.0)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company	14.0	(47.0)
Diluted earnings/(loss) per share		
Total diluted earnings per share attributable to the ordinary equity holders of the Company	8.7	n/a

Diluted loss per share is not required to be disclosed when the Consolidated Entity was in a net loss position.

Reconciliations of earnings/(loss) used in calculating earnings/(loss) per share

Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings/(loss) per share (\$)

from continuing operations	4,202,529	(13,926,593)
from discontinued operations	-	(6,076)
	4,202,529	(13,932,669)

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

5. EARNINGS/(LOSS) PER SHARE (continued)

(a) Basic earnings/(loss) per share	Consolidated Entity	
	31 Dec 09	31 Dec 08
The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:		
Net Profit/(Loss) (\$)	1,988,956	(6,800,073)
Weighted average number of ordinary shares	29,927,379	29,655,393
(i) The Company's partly paid shares, to the extent that they have been paid (1.5225 cent per share), have been included in the determination of the basic earnings/(loss) per share.		
The Company's partly paid shares, to the extent of the balance of the call (18.4775 cents per share), have not been included in the determination of basic earnings/(loss) per share. These securities are included in the determination of diluted earnings/(loss) per share on the basis that each partly paid share will become fully paid.		

(b) Diluted earnings/(loss) per share

	Consolidated Entity	
	31 Dec 09	31 Dec 08
The earnings/(loss) and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings/(loss) per share are as follows:		
Net Profit/(Loss) (\$)	1,988,956	(6,800,073)
Weighted average number of ordinary shares (i)	48,404,879	48,404,879
Weighted average number of shares used as the denominator		
(i) The weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share		
	No.	No.
	29,927,379	29,655,393
Adjustments for calculation of diluted earnings per share		
Portion of partly-paid ordinary shares that remain unpaid	18,477,500	18,749,486
The weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share		
	48,404,879	48,404,879

6. CASH AND CASH EQUIVALENTS	Consolidated Entity		Company	
	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
	\$	\$	\$	\$
Cash at bank	869,359	410,828	166,964	168,671
Term deposit	2,244,671	3,029,260	2,244,671	3,029,260
	3,114,030	3,440,088	2,411,635	3,197,931

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Investments in listed companies comprise:

Listed investments at fair value	11,147,611	7,076,726	505,850	41,118
Unlisted options in listed corporations at cost	10,000	10,000	-	-
Add: net change in fair value	1,576,259	838,313	-	-
	1,586,259	848,313	-	-
	12,733,870	7,925,039	505,850	41,118

Changes in fair value of financial assets at fair value through profit and loss are recorded as Income (Note 2).

	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$	\$	\$	\$
Net gain/(loss) on financial assets at fair value through profit or loss	5,365,204	(30,381,523)	(39,703)	(40,737)

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
				31 Dec 09	30 Jun 09
		31 Dec 09	30 Jun 09	\$	\$
Bentley Capital Limited (BEL)	Investments	28.66%	28.66%	8,216,072	6,851,980
Scarborough Equities Pty Ltd (SCB)	Investments	-	-	-	-
				<u>8,216,072</u>	<u>6,851,980</u>

Scarborough Equities Pty Ltd is a wholly owned subsidiary of Bentley Capital Limited.

Movement in Investments in Associate

Shares in listed Associate entities brought forward	6,851,980	9,207,515
Share of profit before income tax expense	1,569,230	(2,141,377)
Share of income tax expense	-	(141,637)
Dividends received	(205,138)	-
Impairment expense	-	(72,521)
Acquisition of BEL shares through scheme of arrangement merger with SCB	-	3,270,050
Disposal of SCB shares through scheme of arrangement merger with BEL	-	(3,270,050)
Carrying amount at the end of the financial half year	<u>8,216,072</u>	<u>6,851,980</u>

Fair value of listed investments in associate

Bentley Capital Limited	<u>5,846,428</u>	<u>5,333,584</u>
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Net tangible asset value of listed investments in associate

Bentley Capital Limited	<u>9,306,598</u>	<u>7,951,618</u>
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Share of Associate's losses

Profit/(Loss) before income tax	1,569,230	(2,141,377)
Income tax expense	-	(141,637)
Profit/(Loss) after income tax	<u>1,569,230</u>	<u>(2,283,014)</u>

Group share of:

Summarised Financial Position of Associates	Bentley Capital Limited		Scarborough Equities Pty Ltd	
	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
	\$	\$	\$	\$
Current assets	9,318,279	7,982,669	-	-
Non current assets	73,433	444	-	-
Total assets	<u>9,391,712</u>	<u>7,983,113</u>	<u>-</u>	<u>-</u>
Current liabilities	(11,363)	(31,697)	-	-
Non current liabilities	(73,752)	(3,798)	-	-
Total liabilities	<u>(85,115)</u>	<u>(35,495)</u>	<u>-</u>	<u>-</u>
Net assets	<u>9,306,597</u>	<u>7,947,618</u>	<u>-</u>	<u>-</u>
Revenues	1,736,033	1,587,188	-	1,108,696
Profit after income tax of associates	<u>1,569,230</u>	<u>(211,027)</u>	<u>-</u>	<u>(1,598,012)</u>

Bentley Capital Limited - Lease Commitments

BEL and SCB have the same lease commitments as disclosed in Note 11 (a).

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

9. RELATED PARTY DISCLOSURES

The Company is deemed to control Orion Equities Limited (OEQ). During the financial half year, there were transactions between the Company, OEQ and BEL, pursuant to shared office and administration expense arrangements on a cost recovery basis. Interest is not charged on such outstanding amounts and amounts were fully received/(paid) by balance date.

Transactions with subsidiaries	Company	
	31 Dec 09	30 Jun 09
<i>Dividends received from</i>		
Bentley Capital Limited	17,406	-
Orion Equities Limited	-	42,791

10. CONSOLIDATED SEGMENT REPORTING

The Consolidated Entity has applied AASB 8 "Operating Segments" from 1 July 2009 as described in Note 1. The management has to consider the product and geographical perspective of the operating results resulting in the determination that the Consolidated Entity operates only in Australia with segments in investments and olive grove this financial half year. The investments comprise of investments in shares, land and Associate entity. Unallocated items comprise mainly corporate assets, office expenses and income tax assets and liabilities. The current operating segments are the same as reported in the financial statements as at 30 June 2009.

	Investments	Olive grove	Resources	Unallocated	Total
6 months to 31 Dec 09	\$	\$	\$	\$	\$
Revenue	6,952,951	897,545	-	45,524	7,896,020
Profit/(Loss) before income tax	5,947,930	(101,965)	-	(794,049)	5,051,916
Total assets	23,678,392	2,414,288	-	5,762,207	31,854,887
Acquisition of investments	553,883	1,002	-	-	554,885
6 months to 31 Dec 08					
Revenue	571,415	311,530	16,961,679	125,075	17,969,699
Profit/(Loss) before income tax	(32,825,169)	(212,592)	16,948,531	(1,945,970)	(18,035,200)
Year to 30 Jun 09					
Total assets	18,464,380	2,869,244	-	4,868,672	26,202,296
Acquisition of investments	3,602,244	248,683	-	-	3,850,927

11. COMMITMENTS

	Consolidated Entity		Company	
	31 Dec 09	30 Jun 09	31 Dec 09	30 Jun 09
(a) Lease Commitments	\$	\$	\$	\$
Non-cancellable operating lease commitments:				
Not longer than one year	65,030	189,498	32,515	94,749
Between 12 months and 5 years	369,722	438,002	184,861	219,001
	434,752	627,500	217,376	313,750

The lease commitment is the Company and Orion Equities Limited's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2009

12. CONTINGENT LIABILITIES AND ASSETS

(a) Royalty on Resource Tenements

A 75% interest in each of the tenements listed below is subject to an obligation on the owner of that 75% share to pay OEQ subsidiary CXM Limited a royalty of 2% of the share of the gross revenues (exclusive of GST) attributable to that 75% share from any commercial exploitation of any minerals on the tenements. The tenements are:

- EL 47/1328 and PL 47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited, but which are subject to a farm-out of iron ore rights),
- EL 24879, 24928 and 24929 and ELA 24927 (the Bigryli South Project tenements in the Northern Territory, currently held by Alara Resources Limited (Alara) – but which are subject to a farm-out),
- EL 09/1253 (a Mt James Project tenement in Western Australia, currently held by Alara); and
- EL 46/629 and a right to earn and acquire an 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

(b) Directors' Deeds

The Company and Orion Equities has entered into deeds of indemnity with each of their Directors indemnifying them against liability incurred in discharging their duties as directors/officers. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation under these indemnities.

13. EVENTS AFTER BALANCE SHEET DATE

On 25 February 2010, Bentley Capital Limited (BEL) announced that it would be paying a one cent per share fully franked interim dividend on or about 15 March 2010. Orion Equities Limited is a substantial shareholder of BEL and would be entitled to receive \$205,138 in dividends from BEL.

No other matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Queste Communications Ltd made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Consolidated Entity and Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's and Company's financial position as at 31 December 2009 and of their performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Consolidated Entity and Company will be able to pay their debts as and when they become due and payable.



Farooq Khan
Chairman and Managing Director



Simon Cato
Director

26 February 2010

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QUESTE COMMUNICATIONS LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Queste Communications Limited for the period ended 31 December 2009 included on Queste Communications Limited's web site. The disclosing entity's directors are responsible for the integrity of Queste Communications Limited's web site. We have not been engaged to report on the integrity of Queste Communications Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Queste Communications Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entity it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queste Communications Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

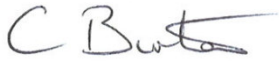
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queste Communications Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

BDO Audit
A handwritten signature in dark ink, appearing to read 'C Burton', is written over the printed name.

Chris Burton
Director

Signed in Perth, Western Australia
Dated this 26th day of February 2010.

SECURITIES INFORMATION

as at 31 December 2009

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	13	8,252	0.029%
1,001	-	5,000	65	195,548	0.688%
5,001	-	10,000	80	750,934	2.644%
10,001	-	100,000	130	3,541,510	12.468%
100,001	-	and over	26	23,908,635	84.171%
Total			314	28,404,879	100.00%

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares
Chi Tung Investments Ltd	20,000,000

These 20,000,000 ordinary shares were issued at a price of 20 cents per share and have been partly paid to 1.5225 cent each and have an outstanding amount payable of 18.4775 cents per share.

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	* BELL IXL INVESTMENTS LIMITED	3,576,159		
	CELLANTE SECURITIES	2,053,282		
	CLEOD PTY LTD <CELLANTE SUPER FUND A/C>	867,644		
	Sub-total		6,497,085	22.873
2	* FAROOQ KHAN	2,399,484		
	ISLAND AUSTRALIA PTY LTD	3,668,577		
	SKIN-PLEX LABORATORIES PTY	20,000		
	THE ESSENTIAL EARTH PTY LTD	20,000		
	FAROOQ KHAN	21,883		
	Sub-total		6,129,944	21.581
3	* MR AZHAR CHAUDHRI	10,000		
	CHI TUNG INVESTMENTS LTD	1,050,000		
	RENMUIR HOLDINGS LTD	2,763,500		
	RENMUIR HOLDINGS	514,280		
	Sub-total		4,337,780	15.271
4	* MANAR NOMINEES PTY LTD <C/- DR A ZELWER>	1,725,663		
	MANAR NOMINEES PTY LTD	180,000		
	Sub-total		1,906,163	6.711
5	ANDREW GRAEME MOFFAT & ELIZABETH ANN MOFFAT		1,150,000	4.049
6	DONALD GORDON MACKENZIE & GWENNETH EDNA MACKENZIE		849,360	2.990
7	STRIKE RESOURCES LIMITED		826,950	2.911
8	AMBREEN CHAUDHRI		386,500	1.361
9	ROSANNA DE CAMPO		268,100	0.944
10	MR AYUB KHAN		215,000	0.757
11	MRS AFIA KHAN		215,000	0.757
12	TOMATO 2 PTY LTD		185,019	0.651
13	GIBSON KILLER PTY LTD		155,000	0.546
14	SAMDY NOMINEES PTY LTD		150,000	0.528
15	MR JOHN CHENG-HSIANG & MRS PEGA PING PING MOK		136,125	0.479
16	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER		130,000	0.458
17	MR SIMON KENNETH CATO		118,000	0.415
18	MR GREGORY JOHN MATHESON		110,742	0.390
19	MR EUGENE RODRIGUEZ		110,000	0.387
20	MR NICHOLAS PASTERNAISKY		103,750	0.365
Total			23,980,518	84.424

* A substantial shareholder of the Company