

2009

ANNUAL REPORT



QUESTE
COMMUNICATIONS LTD

A.B.N 58 081 688 164

(name change to Queste Corporation Ltd pending shareholder approval at 2009 annual general meeting)

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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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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

AUDITORS

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COMPANY PROFILE

Queste Communication Ltd is listed on the Australian Securities Exchange (**ASX**) (under ASX Code: **QUE**). Queste has a controlling (48%) interest in Orion Equities Limited, an investment company (**LIC**) listed on ASX (ASX Code: **OEQ**).

The Company will seek shareholder approval at the 2009 Annual General Meeting for a change of company name to "Queste Corporation Ltd".

Queste Dividend History

Dividend Rate per share	Record Date	Payment Date	Franking
0.25 cent per share	19 September 2008	26 September 2008	Fully Franked
0.25 cent per share	17 September 2007	21 September 2007	Fully Franked
0.5 cent per share	8 March 2007	15 March 2007	Fully Franked
0.5 cent per share	25 September 2006	29 September 2006	Fully Franked
0.5 cent per share	31 March 2006	7 April 2006	Fully Franked

ABOUT ORION EQUITIES LIMITED (OEQ)

At 30 June 2009, Orion had a market capitalisation of \$7.7 million (at \$0.435 per share), net assets of \$20 million (at \$1.088 after tax NTA backing per share), 17,814,389 fully paid ordinary shares on issue, and 715 shareholders on its share register (30 June 2008: \$16 million market capitalisation (at \$0.90 per share), net assets of \$32 million (at \$1.786 cents after tax NTA backing per share), 17,814,389 shares on issue, and 746 shareholders).

Orion Asset Weighting As At 30 June 2009

	% of Net Assets
Australian equities	79%
Property held for development and resale	16%
Agribusiness ¹	13%
Net tax liabilities (current year and deferred tax assets/liabilities)	(9%)
Net cash/other assets and provisions	1%
Total	100%

Orion Top 5 Holdings In Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Bentley Capital Limited	6.85	34%	BEL	Diversified Financials
2. Strike Resources Limited ²	6.39	32%	SRK	Materials
3. Katana Capital Limited	0.64	3%	KAT	Diversified Financials
4. Alara Resources Limited	0.50	3%	AUQ	Energy
5. Bell Financial Group Ltd	0.18	1%	BFG	Diversified Financials
Total	14.56	73%		

Orion Dividend Track Record

Dividend Rate per share	Record Date	Payment Date	Franking
0.5 cent	19 September 2008	26 September 2008	Fully franked
1.5 cents	19 March 2008	28 March 2008	Fully franked
2 cents	17 September 2007	21 September 2007	Fully franked
1.5 cents	8 March 2007	15 March 2007	Fully franked
3.0 cents	12 October 2006	19 October 2006	Fully franked
1.5 cent	31 March 2006	7 April 2006	Fully franked
1.5 cent	30 September 2005	13 October 2005	Fully franked
5 cents	6 July 2004	9 July 2004	60% franked

¹ Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged oils)

² Holdings in SRK includes listed shares and unlisted options (as disclosed in the Directors' Report)

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd (**Company** or **Queste**) and its controlled entities (the **Consolidated Entity**) for the financial year ended 30 June 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** or **OEQ**). The Company has a 48% shareholding interest in Orion (30 June 2008: 48%)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the management of its assets.

The principal activities of Orion during the financial year were the management of its investments, including investments in listed and unlisted securities, real estate held for development and resale, an olive grove operation and interests in resource projects.

OPERATING RESULTS

	Consolidated	2008	Company	2008
	2009	2008	2009	2008
	\$	\$	\$	\$
Total revenues	17,809,605	4,355,961	237,134	659,296
Total expenses	(34,333,677)	(7,419,767)	(531,621)	(442,743)
Profit/(Loss) before tax	(16,524,072)	(3,063,806)	(294,487)	216,553
Income tax benefit/(expense)	4,090,940	513,853	261,695	-
Profit/(Loss) from continuing operations	(12,433,132)	(2,549,953)	(32,792)	216,553
Loss from discontinued operations	111,376	(102,042)	-	-
Profit/(Loss) for the year	(12,321,756)	(2,651,995)	(32,792)	216,553
Net profit/(loss) attributable to minority interests	6,279,911	1,658,834	-	-
Profit/(Loss) after tax attributable to members of the Company	(6,041,845)	(993,161)	(32,792)	216,553
Basic earnings/(loss) per share (cents)	(41.33)	(8.88)	(0.11)	0.74

DIRECTORS' REPORT

At the Company level:

Total revenues of \$237,134 include:

- (1) \$193,834 interest received (2008: \$226,415); and
- (2) \$47,301 dividend income (2008: \$314,246); and
- (3) \$4,001 loss on sale of financial assets at fair value through profit and loss (2008: \$117,302 gain).

Total expenses of \$531,621 include:

- (1) \$306,982 personnel expenses (2008: \$285,120);
- (2) \$54,782 Occupancy expenses (2008: \$19,536); and
- (3) \$74,120 Other administration expenses (2008: \$55,344).

On 11 August 2008, Orion disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of subsidiary, Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of subsidiary, Central Exchange Mining Ltd) to its joint venture partner in these projects, ASX listed Strike Resources Limited (**Strike**).

A total of 9.5 million Strike shares were issued to Orion as consideration for the sale. Orion realised a gain on sale of these subsidiaries of \$17.5 million (based on Strike's closing bid price of \$1.97 on the date of completion).

On 13 March 2009, listed investment companies Bentley Capital Limited (**BEL**) and Scarborough Equities Limited (**SCB**) (being Associate entities of the Orion) merged via a scheme of arrangement. Under the merger, BEL issued 31,350,322 new shares to eligible SCB shareholders and acquired SCB as a wholly-owned subsidiary. Orion received 8,925,845 BEL shares in consideration for its 5,619,645 shareholding in SCB (on the basis of 1.588329 new BEL share for each SCB share held). Orion holds 28.7% of the total issued share capital of BEL (30 June 2008: 28.8%)

On 23 June 2009, Orion acquired the ultra premium Dandaragan Estate Olive Oil Brand, certain related equipment/infrastructure and packed olive oils inventory, in consideration for \$0.25 million. The acquisition was undertaken to complement Orion's existing Olive Grove business.

EARNINGS/(LOSS) PER SHARE

	Consolidated Entity		Company	
	2009	2008	2009	2008
Basic earnings/(loss) per share (cents)	(41.33)	(8.88)	(0.11)	0.74
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic earnings per share	29,914,495	29,404,879	29,914,495	29,404,879

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

DIRECTORS' REPORT

FINANCIAL POSITION

	Consolidated Entity		Company	
	2009	2008	2009	2008
Cash	3,440,088	3,839,432	3,197,931	3,321,651
Current investments - equities	7,925,039	18,179,917	41,118	188,802
Non-current investments - equities	-	-	3,679,995	7,702,314
Investments - listed Associate entities	6,851,980	9,207,515	-	-
Inventory	3,292,148	3,810,526	-	-
Receivables	130,396	276,135	63,717	4,301
Intangibles	623,121	250,000	-	-
Deferred tax assets	1,295,073	-	255,418	-
Other assets	2,644,451	4,624,851	19,978	18,846
Total Assets	26,202,296	40,188,376	7,258,157	11,235,914
Tax liabilities (current and deferred)	(1,727,505)	(4,108,606)	(255,418)	(1,468,391)
Other payables and liabilities	(1,345,565)	(649,766)	(205,467)	(151,517)
Net Assets	23,129,226	35,430,004	6,797,272	9,616,006
Contributed Equity	6,192,427	6,087,927	6,192,427	6,087,927
Reserves	2,445,645	2,427,593	2,719,171	5,534,795
Minority interest	10,398,104	16,658,490	-	-
Accumulated profit/(losses)	4,093,050	10,255,994	(2,114,326)	(2,006,716)
Total Equity	23,129,226	35,430,004	6,797,272	9,616,006

DIVIDENDS

The Directors have not declared a final dividend as the Consolidated Entity incurred an after tax net loss for the financial year and did not have any retained earnings as at 30 June 2009.

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;
- (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 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.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

1. Orion Equities Limited (OEQ)

1.1. Current Status of Investment in Orion

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

The Company holds 8,558,127 shares in Orion, being 48.04% of its issued ordinary share capital (30 June 2008: 8,558,127 shares or 48.04%). Orion has been recognised as a controlled entity and included as part of the Queste Consolidated Entity's results since 1 July 2002.

Queste shareholders are advised to refer to the 30 June 2009 Directors' Report and financial statements and monthly NTA disclosures lodged by Orion for further information about the status and affairs of such company.

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

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

Sections 1.2 to 1.4 below contain information extracted from Orion's public statements.

1.2. Orion's Operating Results for year ended 30 June 2009

ORION EQUITIES LIMITED Consolidated Entity	2009 \$	2008 \$
Total revenues	17,803,761	3,714,620
Total expenses	(33,990,552)	(6,695,444)
Profit/(loss) before tax	(16,186,791)	(2,980,824)
Income tax benefit/(expense)	4,078,315	513,853
Profit/(loss) from continuing operations	(12,108,476)	(2,466,971)
Profit/(Loss) from discontinued operations	111,376	(102,042)
Profit/(Loss) attributable to members of the Company	(11,997,100)	(2,569,013)
Basic and diluted earnings/(loss)cents per share	(67.34)	(14.42)
<hr/>		
ORION EQUITIES LIMITED Consolidated Entity	2009 \$	2008 \$
Net tangible assets (before tax)	19,821,261	35,906,527
Pre-Tax NTA Backing per share	1.113	2.016
<hr/>		
Less deferred tax assets and tax liabilities	(432,433)	(4,095,981)
Net tangible assets (after tax)	19,388,828	31,810,546
Pre-Tax NTA Backing per share	1.088	1.786
<hr/>		
Based on total issued share capital	17,814,389	17,814,389

DIRECTORS' REPORT

Total revenues of \$17,803,761 include:

- (1) \$16,961,679 net gain from sale of subsidiaries (June 2008: Nil);
- (2) \$436,018 gains on sale of securities - trading portfolio (June 2008: \$2,266,054).
- (3) \$311,530 income from olive grove operations (June 2008: \$1,039,852);

Total expenses of \$33,990,552 include:

- (1) \$28,457,085 net change in fair value - trading portfolio (June 2008: \$1,836,528);
- (2) \$2,283,013 share of Associate entities' net losses (June 2008: \$2,687,143);
- (3) \$1,200,000 downwards revaluation of property held for development and resale (June 2008: \$147,339);
- (4) \$685,247 personnel costs (including Directors' fees) (June 2008: \$597,502), and
- (5) \$581,009 olive grove and oils operations (which does not include Inventory and depreciation expenses) (June 2008: \$1,192,240).

On 11 August 2008, Orion disposed of its 70% interest in the Indonesian Berau Coal Project (via the sale of subsidiary, Orion Indo Operations Pty Ltd) and its 25% interest in the West Australian Paulsens East Iron Ore Project (via the sale of subsidiary, Central Exchange Mining Ltd) to its joint venture partner in these projects, ASX listed Strike Resources Limited (**Strike**).

A total of 9.5 million Strike shares were issued to Orion as consideration for the sale. Orion realised a gain on sale of these subsidiaries of \$17.5 million (based on Strike's closing bid price of \$1.97 on the date of completion).

On 13 March 2009, listed investment companies Bentley Capital Limited (**BEL**) and Scarborough Equities Limited (**SCB**) (being Associate entities of the Orion) merged via a scheme of arrangement. Under the merger, BEL issued 31,350,322 new shares to eligible SCB shareholders and acquired SCB as a wholly-owned subsidiary. Orion received 8,925,845 BEL shares in consideration for its 5,619,645 shareholding in SCB (on the basis of 1.588329 new BEL share for each SCB share held). holds 28.7% of the total issued share capital of BEL (30 June 2008: 28.8%).

On 23 June 2009, Orion acquired the ultra premium Dandaragan Estate Olive Oil Brand, certain related equipment/infrastructure and packed olive oils inventory, in consideration for \$0.25 million. The acquisition was undertaken to complement Orion's existing Olive Grove business.

1.3. Orion's Dividends

Orion did not declared a final dividend as it incurred an after tax net loss for the financial year and did not have any retained earnings as at 30 June 2009.

1.4. Orion's Portfolio Details as at 30 June 2009

Asset Weighting

	<u>% of Net Assets</u>
Australian equities	79%
Property held for development and resale	16%
Agribusiness ¹	13%
Net tax liabilities (current year and deferred tax assets/liabilities)	(9%)
Net cash/other assets and provisions	1%
TOTAL	100%

¹ Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged olive oils)

DIRECTORS' REPORT

Top 5 Holdings in Securities Portfolio

Equities		Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1.	Bentley Capital Limited	6.85	34%	BEL	Diversified Financials
2.	Strike Resources Limited ²	6.39	32%	SRK	Materials
3.	Katana Capital Limited	0.64	3%	KAT	Diversified Financials
4.	Alara Resources Limited	0.50	3%	AUQ	Energy
5.	Bell Financial Group Ltd	0.18	1%	BFG	Diversified Financials
TOTAL		14.56	73%		

Note: The investment in Strike comprises the following securities:

	Fair Value \$'millio n	% of Net Assets	ASX Code	
(a) 13,190,802 shares	5.54	25%	SRK	
(b) 1,833,333 unlisted \$0.178 (9 Feb 2011) Options	0.49	2%	Unlisted	Fair value is based on a Black-Scholes options valuation model applying the following assumptions:
(c) 1,666,667 unlisted \$0.278 (9 Feb 2011) Options	0.36	2%		(i) SRK's share price being \$0.58 (the last bid price as at 30 June 2009). (ii) A risk free rate of return of 4.90% (based on the Commonwealth 3 year bond yield rate as at 30 June 2009). (iii) An estimated future volatility of SRK's share price of 80%.
Sub-total	6.39	29%		

As at 31 August 2009, the Strike shares are valued at \$11.9 million and the Strike unlisted options are valued at \$2.4 million.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this Directors' Report or the financial statements.

FUTURE DEVELOPMENTS

In the opinion of the Directors, it may prejudice the interests of the Consolidated Entity to provide additional information (beyond that reported in this Directors' Report) in relation to future developments and the business strategies and operations of the Consolidated Entity and the expected results of those operations in subsequent financial years.

Orion has advised that it intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying companies and securities in which the company invests. The investments' performance depends on many economic factors and also industry and company specific issues. In the opinion of the Orion Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of the company's investments or the forecast of the likely results of the company's activities.

The Consolidated Entity notes the Government's proposed Carbon Pollution Reduction Scheme (**CPRS**). As the legislation is not yet passed, the Directors are unable to reliably quantify the potential future impact of both direct and indirect costs related to this scheme. As such any costs associated with the CPRS have not been taken

² Holdings in SRK includes listed shares and unlisted options (as disclosed in the note following the Top 5 Holdings)

DIRECTORS' REPORT

into account when preparing budgets, forecasts and/or valuation models for measurement of recognised amounts.

LEGAL PROCEEDINGS ON BEHALF OF CONSOLIDATED ENTITY

No person has applied for leave of a court to bring proceedings on behalf of the Consolidated Entity or intervene in any proceedings to which the Consolidated Entity is a party for the purpose of taking responsibility on behalf of the Consolidated Entity for all or any part of such proceedings. The Consolidated Entity was not a party to any such proceedings during and since the financial year.

ENVIRONMENTAL REGULATION

In the course of its mineral exploration and evaluation activities, the Consolidated Entity adheres to environmental regulations imposed upon it by various authorities. The Consolidated Entity has complied with all environment requirements during the year and up to the date of this report. No reportable environmental breaches occurred during the financial year and up to the date of this report.

The Consolidated Entity notes the reporting requirements of both the *Energy Efficiency Opportunities Act 2006 (EEOA)* and the *National Greenhouse and Energy Reporting Act 2007 (NGERA)*. The *Energy Efficiency Opportunities Act 2006* requires affected companies to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. The *National Greenhouse and Energy Reporting Act 2007* requires affected companies to report its annual greenhouse gas emissions and energy use. The Consolidated Entity has determined that it does not operate a recognised facility requiring registration and reporting under the NGERA and in any event, it would fall under the threshold of greenhouse gas emissions required for registration and reporting. Similarly, the Consolidated Entity's energy consumption would fall under the threshold required for registration and reporting under the EEOA.

The Consolidated Entity is not otherwise subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Consolidated Entity's operations, the Directors are not aware of any breach by the Consolidated Entity of those regulations.

DIRECTORS

Information concerning Directors in office during or since the financial 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 18 May 2007) Current Non-Executive Director of: (5) Interstaff Recruitment Limited (since 27 April 2006)

DIRECTORS' REPORT

<i>Former directorships in other listed entities in past 3 years</i>	Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)
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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
<i>Former directorships in other listed entities in past 3 years</i>	None

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).
<i>Former directorships in other listed entities in past 3 years</i>	None

DIRECTORS' REPORT

Simon K. Cato	Non-Executive Director
<i>Appointed</i>	6 February 2008
<i>Qualifications</i>	B.A. (USYD)
<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: (1) Convergent Minerals Limited (since 25 July 2006) (2) Advanced Share Registry Services Limited (since 22 August 2007) Current Director of: (3) Greenland Minerals and Energy Ltd (since 21 February 2006) (4) Bentley Capital Limited (since 5 February 2004)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Sofcom Limited (8 January 2004 to 19 March 2008) (2) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

At the Balance Date, Messrs Azhar Chaudhri and Yaqoob Khan were resident overseas.

COMPANY SECRETARY

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

Victor P. H. Ho	Company Secretary
<i>Appointed</i>	30 August 2000
<i>Qualifications</i>	BCom, LLB (Western Australia)
<i>Experience</i>	Mr Ho has been in company secretarial/executive 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 and 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: (1) Strike Resources Limited (Secretary since 9 March 2000 and Director since 12 October 2000) (2) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003) Current Company Secretary of: (3) Bentley Capital Limited (since 5 February 2004) (4) Alara Resources Limited (since 4 April 2007)
<i>Former positions in other listed entities in past 3 years</i>	(1) Sofcom Limited (SOF) (Director between 3 July 2002 and 19 March 2008; Secretary between 23 July 2003 and 19 March 2008) (2) Scarborough Equities Limited (Secretary between 29 November 2004 and 13 March 2009)

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	Meetings Attended	Maximum Possible Meetings
Farooq Khan	6	6
Simon Cato	6	6
Yaqoob Khan	6	6
Azhar Chaudhri	6	6

There were no meetings of committees of the Board of the Company.

Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Consolidated Entity's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of the Consolidated Entity.

The information provided under headings (1) to (3) below has been audited as required under section 308(3)(c) of the *Corporations Act 2001*.

(1) Remuneration Policy

The Board determines the remuneration structure of all Key Management Personnel having regard to the Consolidated Entity's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications, market practice (including available data concerning remuneration paid by other listed companies in particular companies of comparable size and nature), the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

Fixed Cash Short Term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of \$55,000 per annum inclusive of minimum employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined current Company Key Management Personnel remuneration as follows:

- (a) Mr Farooq Khan (Executive Chairman and Managing Director) – a base salary of \$125,000 per annum plus employer superannuation contributions (currently 9%);
- (b) Mr Azhar Chaudhri (Non-Executive Director) – a base fee of \$15,000 per annum;
- (c) Mr Simon Cato (Non-Executive Director) – a base fee of \$15,000 per annum plus employer superannuation contributions (currently 9%);
- (d) Mr Yaqoob Khan (Non-Executive Director) – a base fee of \$15,000 per annum; and
- (e) Mr Victor Ho (Company Secretary) – a base salary of \$31,000 per annum plus employer superannuation contributions (currently 9%).

DIRECTORS' REPORT

Key Management Personnel can also opt to "salary sacrifice" their cash fees/salary and have them paid wholly or partly as further employer superannuation contributions or benefits exempt from fringe benefits tax.

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is entitled to receive:

- (a) Payment for the performance of extra services or the making of special exertions at the request of the Board and for the purposes of the Company.
- (b) Payment for reimbursement of all reasonable expenses (including traveling and accommodation expenses) incurred by a Director for the purpose of attending meetings of the Company or the Board, on the business of the Company, or in carrying out duties as a Director.

Long Term Benefits: Key Management Personnel have no right to termination payments save for payment of accrued annual leave and long service leave (other than Non-Executive Directors).

Equity Based Benefits: The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

Post Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel.

Performance Related Benefits/Variable Remuneration: The Company does not presently provide short or long incentive/performance based benefits related to the Company's performance to Key Management Personnel, including payment of cash bonuses. The current remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

Service Agreements: The Company does not presently have formal service agreements or employment contracts with any Key Management Personnel.

Financial Performance of Company: There is no relationship between the Company's current remuneration policy and the Company's performance.

(2) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel of the Company paid or payable by the Consolidated Entity during the financial year are as follows:

Paid by the Company (Queste) to its Key Management Personnel

Key Management Person	Performance related	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
2009	%	\$	\$	\$	\$	\$	\$
Executive Director:							
Farooq Khan	-	125,000	-	11,250	36,057	-	172,307
Non-Executive Directors:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000
Azhar Chaudhri	-	15,000	-	-	-	-	15,000
Simon Cato	-	15,000	-	1,350	-	-	16,350
Company Secretary:							
Victor Ho	-	31,000	-	2,790	8,346	-	42,136

DIRECTORS' REPORT

Key Management Person	Performance related	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
2008	%	\$	\$	\$	\$	\$	\$
Executive Director: Farooq Khan	-	125,000	-	11,250	-	-	136,250
Non-Executive Directors:							
Yaqoob Khan	-	15,000	-	-	-	-	15,000
Azhar Chaudhri	-	15,000	-	-	-	-	15,000
Simon Cato	-	5,654	-	509	-	-	6,163
Michael van Rens	-	9,346	-	841	-	-	10,187
Company Secretary: Victor Ho	-	31,000	750	2,790	-	-	34,540

Paid by Orion to Key Management Personnel (who are also Key Management Personnel of Queste)

2009 Key Management Personnel	Performance related %	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	\$
Executive Directors:							
Farooq Khan	-	255,192	-	17,308	-	-	272,500
William Johnson	-	150,000	-	13,500	-	-	163,500
Victor Ho	-	60,000	-	5,400	-	-	65,400
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

2008 Key Management Personnel	Performance related %	Short-term Benefits		Post Employment Benefits	Other Long-term Benefits	Equity Based	Total
		Cash, salary and commissions	Non-cash benefit	Superannuation	Long service leave	Shares & Options	
		\$	\$	\$	\$	\$	\$
Executive Directors:							
Farooq Khan	-	250,000	-	22,500	-	-	272,500
William Johnson	-	150,000	-	13,500	-	-	163,500
Victor Ho	-	60,000	-	5,400	-	-	65,400
Non-Executive Director:							
Yaqoob Khan	-	25,000	-	-	-	-	25,000

(3) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

This concludes the audited remuneration report.

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' INSURANCE

The Company does not have any directors' and officers insurance policy. Orion has a directors' and officers insurance policy; the nature of the liabilities covered or the amount of premiums paid in respect of this policy has not been disclosed as such disclosure is prohibited under the terms of the policy.

DIRECTORS DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- (i) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act); and
- (ii) Subject to the terms of the deed and the Corporations Act, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

AUDITOR

Details of the amounts paid or payable to the auditor (BDO Kendalls Audit & Assurance (WA) Pty Ltd, formerly BDO) for audit and non-audit services provided during the financial year are set out below:

Consolidated Entity			Company		
Audit & Review Fees	Fees for Other Services	Total	Audit & Review Fees	Fees for Other Services	Total
\$	\$	\$	\$	\$	\$
52,418	3,560	55,978	24,558	1,250	25,808

BDO Kendalls Audit & Assurance (WA) Pty Ltd continues in office in accordance with section 327B of the *Corporations Act 2001*.

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 15. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Subsequent Events Note 29), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

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

16 September 2009



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
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ABN 79 112 284 787

16 September 2009

Queste Communications Limited
The Directors
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 of Queste Communications Limited for the year ended 30 June 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 audit; and
- any applicable code of professional conduct in relation to the audit.

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

Chris Burton
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue from continuing operations	2	570,274	1,689,692	241,135	540,661
Other income	2	17,239,331	2,666,269	(4,001)	118,635
Total revenue from continuing operations		17,809,605	4,355,961	237,134	659,296
Cost of investments sold	2	19,297	(37,393)	(3,183)	(869)
Impairment loss on fair value of investments through profit and loss	2	(28,480,000)	(1,877,734)	(22,915)	(41,206)
Cost of land development and impairment	2	(1,236,735)	(824,385)	-	-
Cost of olive grove operations	2	(581,009)	(515,194)	-	-
Occupancy expenses	2	(125,643)	(93,901)	(54,782)	(19,536)
Finance expenses	2	(5,180)	(5,687)	(2,970)	(1,745)
Borrowing costs	2	-	(13)	-	(7)
Corporate expenses	2	(263,696)	(180,733)	(62,682)	(34,382)
Administration expenses					
- personnel	2	(992,229)	(882,623)	(306,982)	(285,120)
- others	2	(366,642)	(386,835)	(78,107)	(59,878)
Exploration and evaluation expenses	2	(18,827)	71,874	-	-
Share of Associate entities' losses	2	(2,283,013)	(2,687,143)	-	-
Profit/(Loss) before income tax expense		(16,524,072)	(3,063,806)	(294,487)	216,553
Income tax benefit	3	4,090,940	513,853	261,695	-
Profit/(Loss) from continuing operations		(12,433,132)	(2,549,953)	(32,792)	216,553
Profit/(Loss) from discontinued operations	5	111,376	(102,042)	-	-
		(12,321,756)	(2,651,995)	(32,792)	216,553
Net profit attributable to minority interests		6,279,911	1,658,834	-	-
Net profit/(loss) attributable to members of the company		(6,041,845)	(993,161)	(32,792)	216,553
Profit/(Loss) attributable to:					
Equity holders of the company		(6,041,845)	(993,161)	(32,792)	216,553
Minority interest		(6,279,911)	(1,658,834)	-	-
		(12,321,756)	(2,651,995)	(32,792)	216,553
Loss per share from continuing operations attributable to the ordinary equity holders of the company					
Basic loss per share (cents)	8	(41.6)	(8.7)		
Diluted loss per share (cents)	8	n/a	n/a		
Loss per share attributable to the ordinary equity holders of the company					
Basic loss per share (cents)	8	(41.3)	(8.9)		
Diluted loss per share (cents)	8	n/a	n/a		

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	Consolidated Entity		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	9	3,440,088	3,839,432	3,197,931	3,321,651
Trade and other receivables	10	97,573	243,312	63,717	4,301
Financial assets at fair value through profit and loss	11	7,925,039	18,179,917	41,118	188,802
Inventory	12	842,148	160,526	-	-
Other	13	5,294	-	-	-
TOTAL CURRENT ASSETS		12,310,142	22,423,187	3,302,766	3,514,754
NON CURRENT ASSETS					
Trade and other receivables	10	32,823	32,823	-	-
Inventory	12	2,450,000	3,650,000	-	-
Available for sale financial asset	14	-	-	3,679,995	7,702,314
Investments in Associate entities (equity accounted)	15	6,851,980	9,207,515	-	-
Property, plant and equipment	16	2,246,077	2,629,500	19,978	18,846
Olive trees	17	393,080	581,580	-	-
Resource projects	18	-	1,413,771	-	-
Intangibles	19	623,121	250,000	-	-
Deferred tax asset	22	1,295,073	-	255,418	-
TOTAL NON CURRENT ASSETS		13,892,154	17,765,189	3,955,391	7,721,160
TOTAL ASSETS		26,202,296	40,188,376	7,258,157	11,235,914
CURRENT LIABILITIES					
Trade and other payables	20	1,193,104	528,642	124,772	86,770
Current tax liabilities	22	-	58,116	-	-
TOTAL CURRENT LIABILITIES		1,193,104	586,758	124,772	86,770
NON CURRENT LIABILITIES					
Provision	21	152,461	121,124	80,695	64,747
Deferred tax liability	22	1,727,505	4,050,490	255,418	1,468,391
TOTAL NON CURRENT LIABILITIES		1,879,966	4,171,614	336,113	1,533,138
TOTAL LIABILITIES		3,073,070	4,758,372	460,885	1,619,908
NET ASSETS		23,129,226	35,430,004	6,797,272	9,616,006
EQUITY					
Issued capital	23	6,192,427	6,087,927	6,192,427	6,087,927
Reserves	24	2,445,645	2,427,593	2,719,171	5,534,795
Retained earnings /(Accumulated losses)		4,093,050	10,255,994	(2,114,326)	(2,006,716)
Parent interest		12,731,122	18,771,514	6,797,272	9,616,006
Minority interest		10,398,104	16,658,490	-	-
TOTAL EQUITY		23,129,226	35,430,004	6,797,272	9,616,006

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Issued Capital \$	Reserves \$	Retained Earnings/ Accumulated Losses \$	Minority Interest \$	Total \$
Consolidated Entity					
At 1 July 2007	6,087,927	2,138,012	12,076,757	17,574,033	37,876,729
Changes in revaluation of assets	-	289,581	-	-	289,581
Net income directly recognised in equity	-	289,581	-	-	289,581
Loss attributable to members of the Company	-	-	(993,161)	-	(993,161)
Loss attributable to minority interest	-	-	-	(1,658,834)	(1,658,834)
Total income and expense recognised for the year	-	-	(993,161)	(1,658,834)	(2,651,995)
Dividend paid	-	-	(397,517)	-	(397,517)
Movement in minority interest	-	-	(430,085)	743,291	313,206
At 30 June 2008	6,087,927	2,427,593	10,255,994	16,658,490	35,430,004
At 1 July 2008	6,087,927	2,427,593	10,255,994	16,658,490	35,430,004
Changes in revaluation of assets	-	18,052	-	-	18,052
Net income directly recognised in equity	-	18,052	-	-	18,052
Loss attributable to members of the Company	-	-	(6,041,845)	-	(6,041,845)
Loss attributable to minority interest	-	-	-	(6,279,911)	(6,279,911)
Total income and expense recognised for the year	-	-	(6,041,845)	(6,279,911)	(12,321,756)
Dividend paid	-	-	(121,099)	-	(121,099)
Partly paid shares	104,500	-	-	-	104,500
Movement in minority interest	-	-	-	19,525	19,525
At 30 June 2009	6,192,427	2,445,645	4,093,050	10,398,104	23,129,226
Company					
At 1 July 2007	6,087,927	8,260,558	(2,149,757)	-	12,198,728
Changes in fair value of available for sale assets (net of tax)	-	(2,725,763)	-	-	(2,725,763)
Net income directly recognised in equity	-	(2,725,763)	-	-	(2,725,763)
Profit for the year	-	-	216,553	-	216,553
Total income and expense recognised for the year	-	(2,725,763)	216,553	-	(2,509,210)
Dividend paid	-	-	(73,512)	-	(73,512)
At 30 June 2008	6,087,927	5,534,795	(2,006,716)	-	9,616,006
At 1 July 2008	6,087,927	5,534,795	(2,006,716)	-	9,616,006
Changes in fair value of available for sale assets (net of tax)	-	(2,815,624)	-	-	(2,815,624)
Net income directly recognised in equity	-	(2,815,624)	-	-	(2,815,624)
Loss for the year	-	-	(32,792)	-	(32,792)
Total income and expense recognised for the year	-	(2,815,624)	(32,792)	-	(2,848,416)
Dividend paid	-	-	(74,818)	-	(74,818)
Partly paid shares	104,500	-	-	-	104,500
At 30 June 2009	6,192,427	2,719,171	(2,114,326)	-	6,797,272

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		345,665	1,042,060	-	1,333
Payments to suppliers and employees		(2,356,602)	(1,848,058)	(494,788)	(336,966)
Payments for exploration and evaluation		(19,224)	(1,438,796)	-	-
Sale proceeds from trading portfolio		1,141,704	5,759,493	-	-
Payments for trading portfolio		(264,740)	(3,802,450)	-	-
Proceeds from portfolio options		-	-	-	-
Dividends received		40,934	90,050	49,701	301,556
Income tax received/(paid)		414,768	(585,755)	-	-
Interest received		199,100	276,117	176,035	226,415
Interest paid		-	(13)	-	(7)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES					
	9 a	(498,395)	(507,352)	(269,052)	192,331
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(5,118)	(80,078)	(5,118)	(1,349)
Proceeds from sale of plant and equipment		-	-	-	-
Loan to other entities		-	(17,000)	-	(17,000)
Repayment of loan from other entities		-	17,000	-	17,000
Payments for investment securities		(515,737)	(132,062)	(515,737)	(132,062)
Proceeds from sale of investment securities		636,505	182,036	636,505	182,036
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES					
		115,650	(30,104)	115,650	48,625
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from partly paid shares		104,500	-	104,500	-
Dividends paid		(121,099)	(397,517)	(74,818)	(73,512)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES					
		(16,599)	(397,517)	29,682	(73,512)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD					
		(399,344)	(934,973)	(123,720)	167,444
Add opening cash and cash equivalents brought forward		3,839,432	4,774,405	3,321,651	3,154,207
NET CASH AND CASH EQUIVALENTS AT END OF YEAR					
	9	3,440,088	3,839,432	3,197,931	3,321,651

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1. SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report (comprising the financial statements and notes thereto) is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report includes separate financial statements for Queste Communications Ltd as an individual parent entity (the "Company") and the consolidated entity consisting of Queste Communications Ltd and its controlled entities. Queste Communications Ltd is a company limited by shares, incorporated in Western Australia.

Compliance with IFRS

The financial report complies with all Australian equivalents to International Financial Reporting Standards (**AIFRS**) in their entirety. Compliance with AIFRS ensures that the consolidated financial statements of Queste Communications Ltd comply with International Financial Reporting Standards (**IFRS**).

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

1.1. Principles of Consolidation

A controlled entity is any entity the Company has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in note 14 to the financial statements. All controlled entities have a June financial year-end. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the Company.

1.2. Investments in Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control. A list of associates is contained in note 15 to the financial statements. All associate entities have a June financial year-end.

1.3. Mineral Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated (i.e. capitalised) in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Under AASB 6 "Exploration for and Evaluation of Mineral Resources", if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Company must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 "Impairment of Assets". Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1.4. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The consolidated entity's segment reporting is contained in note 25 of the notes to the financial statements.

1.5. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax ("**GST**"). The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods and Disposal of Assets - Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has passed control of the goods or other assets to the buyer.

Contributions of Assets - Revenue arising from the contribution of assets is recognised when the consolidated entity gains control of the asset or the right to receive the contribution.

Interest Revenue - Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend Revenue - Dividend revenue is recognised when the right to receive a dividend has been established. The consolidated entity brings dividend revenue to account on the applicable ex-dividend entitlement date.

Other Revenues - Other revenues are recognised on a receipts basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1.6. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1.7. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.8. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be

settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the consolidated entity in accordance with statutory obligations and are charged as an expense when incurred.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

1.9. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the balance sheet.

1.10. Receivables

Trade and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

1.11. Dividends Policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

1.12. Investments and Other Financial Assets

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss - A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Recognition and Measurement of Financial Instruments*. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available for sale financial assets - Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any other categories. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in equity in the period in which they arise.

Loans and receivables - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

Financial liabilities - Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

1.13. Fair value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. The consolidated entity may use a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

1.14. Property held for Resale

Property held for development and sale is valued at lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

1.15. Property, Plant and Equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Freehold Land is not depreciated (except for property held for resale – refer to Note 1.13). It is shown at fair value, based on periodic valuations by external independent valuers. Any upward revaluation is recognised through equity.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and Equipment	15-33.3%	Diminishing Value
Furniture and Equipment	15-20%	Diminishing Value
Leasehold Improvements	15%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

1.16. Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.17. Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.18. Issued Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

1.19. Earnings Per Share

Basic Earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

Diluted Earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

1.20. Research and Development Costs

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

1.21. Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1.22. Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. They include the transfer from equity of any gains losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated

costs of completion and the estimated costs necessary to make the sale.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

1.23. Non-current assets (or disposal groups) held for sale and discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

1.24. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.25. Biological Assets

Biological assets are initially, and subsequent to initial recognition, measured at their fair value less any estimated point-of-sale costs. Gains or losses arising on initial or subsequent recognition are accounted for via the profit or loss for the period in which the gain or loss arises. Agricultural produce harvested from the biological assets shall be measured at its fair value less estimated point-of-sale costs at the point of harvest.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1.26. New standards and interpretations Released But Not Yet Adopted

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact on the Company's accounts/financial statements or the associated notes therein.

New / revised pronouncement	Explanation of amendments	Effective date/Application date
AASB 1 First time <i>adoption of Australian Accounting Standards</i> (May 2009) – "AASB 1R"	Structure of the standard has been amended for ease of use.	30 June 2010
AASB 3 Business Combinations (March 2008) – "AASB 3R"	AASB 3R amends how entities account for business combinations and changes in ownership interests in subsidiaries. Many changes have been made to this standard affecting acquisition related costs, step acquisitions, measurement of goodwill and contingent considerations. AASB 3 also replaces the term "Minority Interest" with "Non-controlling Interest". This standard can be early adopted, but only for reporting periods that begin on or after 30 June 2007. AASB 3 is applied prospectively.	Business combinations occurring on or after an annual reporting beginning on or after 1 July 2009
AASB 8 Operating Segments (February 2007)	AASB 8 supersedes AASB 114. AASB 8 has a different scope of application to AASB 114; it is applicable only to listed entities and those in the process of listing, and requires that segment information be disclosed using the management approach. This may result in a different set of segments being identified than those previously disclosed under AASB 114.	31 December 2009
AASB 101 Presentation of Financial Statements (September 2007) – "AASB 101R"	AASB 101R contains a number of changes from the previous AASB 101. The main changes are to require that an entity must: <ul style="list-style-type: none"> • present all non-owner changes in equity ('comprehensive income') either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income) • present an additional statement of financial position (balance sheet) as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements • disclose income tax relating to each component of other comprehensive income • disclose reclassification adjustments relating to components of other comprehensive income There are other changes to terminology, however these are not mandatory	31 December 2009
AASB 123 Borrowing Costs (June 2007) – "AASB 123R"	AASB 123R incorporates amendments removing the option to immediately expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	31 December 2009
AASB 127 Consolidated and Separate Financial Statements (March 2008) – "AASB 127R"	AASB 127R amends how entities account for business combinations and changes in ownership interests in subsidiaries. Many changes were made to this standard affecting acquisitions and disposals which do not result in a change of control, partial disposals where control is lost, attribution of profit or loss to non-controlling interests and loss of significant influence or control in relation to Associates and Joint Ventures. AASB 127 replaces the term "Minority Interest" with the "Non-controlling Interest". AASB 127 is applied retrospectively, with certain exceptions relating to the significant changes made in this revision.	30 June 2010
AASB 1039 Concise Financial Reports (August 2008)	AASB 1039 (August 2008) incorporates amendments to terminology and descriptions of the financial statements to achieve consistency with AASB 101 and the rewording of the disclosure requirements relating to segments to achieve consistency with AASB 8.	31 December 2009

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1.26 New standards and interpretations Released But Not Yet Adopted (continued)

New / revised pronouncement	Explanation of amendments	Effective date/ Application date
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	AASB 2007-3 consequentially amends a number of standards arising from the issue of AASB 8. These amendments result from the changing the name of the segment reporting standard to AASB 8.	31 December 2009
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	The revision of AASB 123 necessitates consequential amendments to a number of existing Standards. The amendments principally remove references to expensing borrowing costs on qualifying assets, as AASB 123 was revised to require such borrowing costs to be capitalised.	31 December 2009
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	AASB 2007-8 consequentially amends a number of AASB's as a result of the reissue of AASB 101. Some of the changes include changing the terms: <ul style="list-style-type: none"> • 'general purpose financial report' to 'general purpose financial statements' • 'financial report' to 'financial statements' in application paragraphs, where relevant, of Australian Accounting Standards (including Interpretations) to better align with IFRS terminology. 	31 December 2009
AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	AASB 2007-10 makes a number of consequential amendments to a number of accounting standards arising from the revision of AASB 101 in September 2007. The changes are largely to terminology for example changing the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements', where relevant, in Australian Accounting Standards (including Interpretations) to better align with IFRS terminology.	31 December 2009
AASB 2008-1 Amendments to Australian Accounting Standard -Share-based Payments: Vesting Conditions and Cancellations [AASB 2]	AASB 2008-1 was issued after the AASB made changes to AASB 2 Share Based Payments including: <ul style="list-style-type: none"> • Clarifying that vesting conditions are service conditions and performance conditions only, and that other features of a share-based payment are not vesting conditions. Cancellations, whether by the entity or by other parties, should be accounting for consistently.	31 December 2009
AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	AASB 2008-2 makes amendments to AASB 132 and AASB 101, permitting certain puttable financial instruments to be classified as equity rather than liabilities, subject to certain criteria being met.	31 December 2009
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	AASB 2008-3 was issued after the AASB revised AASB 3 and AASB 127, as consequential amendments were necessary to other Australian Accounting Standards.	30 June 2010
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038].	AASB 2008-5 makes a number of minor, but necessary amendments to different Standards arising from the annual improvements project. The amendments largely clarify accounting treatments where previous practice had varied, with some new or amended requirements introduced. <p>The changes addressed include accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale.</p>	31 December 2009
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]	AASB 2008-6 makes further amendments arising from the annual improvements project. These amendments are made to AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary, and the requirements for all assets and liabilities of such subsidiaries to be classified as held for sale. Disclosure requirements are also clarified.	31 December 2009

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

1.26 New standards and interpretations Released But Not Yet Adopted (continued)

New / revised pronouncement	Explanation of amendments	Effective date/ Application date
AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	AASB 2008-7 makes changes to a number of accounting standards, for the purpose of reducing the burden on parent entities when complying with AASB 127 and measuring the cost of a subsidiary at acquisition in their separate financial statements in certain circumstances. The amendments are to apply only on initial application of Australian Equivalents to International Financial Reporting Standards (AASBs).	31 December 2009
AASB 2008-8 Amendments to Australian Accounting Standards -Eligible Hedged Items [AASB 139]	AASB 2008-8 makes amendments to AASB 139 to clarify the application of some of AASB 139's requirements on designation of a risk or a portion of cash flows for hedge accounting purposes; including: The main issues addressed are: <ul style="list-style-type: none"> • Designation of one-sided risks • Designation of portions of cash flows of a financial instrument, with reference to inflation components; and • Hedge effectiveness when hedging one-sided risks with a purchased option. 	30 Jun 2010
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	AASB 2008-9 makes amendments to AASB 1049 to ensure consistency with AASB 101 Presentation of Financial Statements (September 2007). This alignment is consistent with the broad approach taken in the AASB's Generally Accepted Accounting Principles/Government Finance Statistics (GAAP/GFS) Harmonisation project.	31 December 2009
AASB 2008-11 Amendments to Australian Accounting Standard – Business Combinations Among Not-for-Profit Entities [AASB 3]	AASB 2008-11 mandates that the requirements in AASB 3 (March 2008) are applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled. It also allows those requirements to be early adopted by not-for-profit entities. Also included are specific recognition, measurement and disclosure requirements relating to local government restructures.	30 June 2010
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]	AASB 2008-13 makes amendments to AASB 5 and AASB 110 resulting from the issue of Interpretation 17. The amendments relate to the classification, presentation and measurement of non-current assets held for distribution to owners and the disclosure requirements for dividends that are declared after the reporting period but before the financial statements are authorised for issue.	30 June 2010
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2, AASB 138 and AASB Interpretations 9 & 16]	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project	30 June 2010
AASB 2009-05 Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 118, 136, 139]	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project	31 December 2010
Interpretation 15 <i>Agreements for Construction of Real Estate</i>	This Interpretation aims to standardise accounting practice among real estate developers for sales of units, such as apartments or houses, 'off plan', i.e. before construction is complete, with regards to the recognition of revenue.	31 December 2009
Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	This Interpretation clarifies when in a group situation hedge accounting can be applied in relation to foreign exchange risks associated with foreign operations.	30 September 2009
Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	This Interpretation provides guidance on how entities should measure distributions of assets other than cash when it pays dividends to its owners, except for common control transactions.	30 June 2010
Interpretation 18 <i>Transfers of Assets from Customers</i>	This Interpretation clarifies the accounting for agreements in which an entity receives an item of PPE from a customer that they must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.	Asset transfers received on or after 1 July 2009

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and accompanying notes as set out on pages 16 to 46 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting; and
 - (b) give a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2009 and of its performance for the year ended on that date;
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures set out in the Directors' Report on page 11 to 13 (as the audited Remuneration Report) comply with section 300A of the Corporate Act 2001; and
4. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 by the Executive Chairman and Managing Director (the person who performs the chief executive function) and the Company Secretary (the person who, in the opinion of the Directors, performs the chief financial officer function).

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.



Farooq Khan
Chairman and Managing Director



Simon Cato
Director

16 September 2009

ADDITIONAL ASX INFORMATION

as at 12 October 2009

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	12	8,251	0.0
1,001	-	5,000	66	196,977	0.69
5,001	-	10,000	80	753,934	2.65
10,001	-	100,000	132	3,576,132	12.59
100,001	-	and over	26	23,869,585	84.03
Total			316	28,404,879	100%

Marketable Parcel

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	3,704	59	116,428	0.41
3,705	-	over	257	28,288,451	99.59
Total			316	28,404,879	100%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,704 shares or less, being a value of \$500 or less in total, based upon the Company's closing last bid share price on 12 October 2009 of 13.5 cents per share.

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 cents each and have an outstanding amount payable of 18.4775 cents per share.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- (1) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (2) on a show of hands, every person present who is a shareholder or a proxy, attorney or corporate representative of a shareholder has one vote;
- (3) on a poll, every person present who is a shareholder or a proxy, attorney or corporate representative of a shareholder shall, in respect of each fully paid share held by such person, or in respect of which such person is appointed a proxy, attorney or corporate representative, have one vote for that share;
- (4) The Company's partly paid shares have a proportional voting entitlement in accordance with the amount paid up for that share.

ADDITIONAL ASX INFORMATION

as at 12 October 2009

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	BELL IXL INVESTMENTS LTD CLEOD PTY LTD CELLANTE SECURITIES PTY LIMITED	3,572,109 867,644 2,053,282		
*		Sub-total	6,493,035	22.859
2	FAROOQ KHAN ISLAND AUSTRALIA PTY LTD SKIN-PLEX LABORATORIES PTY THE ESSENTIAL EARTH PTY LTD	2,421,367 3,668,577 20,000 20,000		
		Sub-total	6,129,944	21.58
3	MR ASHAR CHAUDHRI CHI TUNG INVESTMENTS LTD RENMUIR HOLDINGS LTD RENMUIR HOLDINGS LTD	10,000 1,050,000 2,763,500 514,280		
*		Sub-total	4,337,780	15.271
4	MANAR NOMINEES PTY LTD MANAR NOMINEES PTY LTD	1,725,663 180,500		
*		Sub-total	1,906,163	6.711
5	MR ANDREW GRAEME MOFFAT & MRS ELIZABETH ANN MOFFAT		1,150,000	4.049
6	MR DONALD GORDON MACKENZIE & MRS GWENNETH MACKENZIE		849,360	2.990
7	STRIKE RESOURCES LIMITED		826,950	2.911
8	MRS AMBREEN CHAUDHRI		386,500	1.361
9	MS 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	SAMDY NOMINEES PTY LTD		150,000	0.528
14	MR JOHN CHENG-HSIANG YANG & MS PETA PING PING MOK		136,125	0.479
15	MR ANTHONY NEALE KILLER & MS SANDRA MARIE KILLER		130,000	0.458
16	GIBSON KILLER PTY LTD		120,000	0.422
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	NICHOLAS PASTERNAISKY		103,750	0.365
Total			23,941,468	84.285

* A substantial shareholder of the Company

(name change to Queste Corporation Ltd pending shareholder approval at 2009 annual general meeting)

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Advanced Share Registry Services
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