



HALF YEAR REPORT

31 December 2010

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2010 ANNUAL REPORT OF THE COMPANY



www.queste.com.au

ASX Code: QUE

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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

Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000

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SHARE REGISTRY

Advanced Share Registry Services
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Nedlands, Western Australia 6009
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Email: admin@advancedshare.com.au
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STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

AUDITORS

BDO (WA) Pty Ltd
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Subiaco, Western Australia 6008
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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 2010 to 31 December 2010
 Previous Corresponding Period: 1 July 2009 to 31 December 2009
 Balance Date: 31 December 2010
 Company: Queste Communications Ltd (**Quste** 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	31 Dec 2010 \$	31 Dec 2009 \$	% Change	Up/Down
Total revenues	2,617,277	7,896,020	67%	Down
Total expenses	(1,499,733)	(2,844,104)	47%	Down
Profit before tax	1,117,544	5,051,916	78%	Down
Income tax expense	-	(849,387)	n/a	n/a
Profit for the half year	1,117,544	4,202,529	73%	Down
Net profit attributable to minority interests	(602,062)	(2,213,573)	73%	Down
Profit after tax attributable to members of the Company	515,482	1,988,956	74%	Down
Basic earnings per share (cents)	3.7	14.0	73%	Down
Diluted earnings per share (cents)	2.3	8.7	73%	Down

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 Consolidated Entity level:

Total revenues of \$2,617,277 include:

- (1) \$1,534,447 net gain on financial assets held at fair value through profit or loss (2009: \$5,346,256);
- (2) \$851,912 share of Associate entity's profit (2009: \$1,569,230 loss);
- (3) \$172,234 income from sale of olive oils (2009: \$897,545); and
- (4) \$15,000 dividend income (2009: \$18,517).

Total expenses of \$1,499,733 include:

- (1) \$475,059 personnel expenses (2009: \$572,014);
- (2) \$367,612 olive grove and oils operations (which does not include revaluation and depreciation expenses) (2009: \$937,774);
- (3) \$292,681 costs in relation to land operations (2009: \$22,377); and

APPENDIX 4D HALF YEAR REPORT

- (4) \$77,777 Occupancy costs (2009: \$35,291) (The Directors note that a portion of the expenses recognised in the financial half year relate to expenses attributable to the previous financial year as a consequence of timing of receipt of relevant invoices).

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 2010.

DIVIDENDS

The Directors have not declared a dividend in respect of the half year ended 31 December 2010.

ASSOCIATE ENTITIES

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

Orion has accounted for the following share investment at Balance Date as investments in an Associate entity (on an equity accounting basis):

- (1) 28.34% interest in ASX listed Bentley Capital Limited (ACN 008 108 218) (**BEL**) (30 June 2010: 28.49%).

CONTROLLED ENTITIES

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

During the financial half year, Orion deregistered AquaVerde Holdings Pty Ltd (ACN 128 938 090), which was held (as to 50%) by Orion's wholly owned subsidiary, Silver Sands Developments Pty Ltd.

On 22 October 2010, the Company acquired 505,026 shares in Orion, being a further 2.84% interest held in the controlled entity. This acquisition resulted in an increase in the Company's interest in Orion to 50.88%.

For and on behalf of the Directors,



Victor Ho
Company Secretary
Telephone: (08) 9214 9777

Date: 28 February 2011

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 2010 (**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 50.88% shareholding interest in Orion (30 June 2010: 48.04%).

OPERATING RESULTS

CONSOLIDATED ENTITY	Dec 2010	Dec 2009
	\$	\$
Total revenues	2,617,277	7,896,020
Total expenses	(1,499,733)	(2,844,104)
Profit before tax	1,117,544	5,051,916
Income tax expense	-	(849,387)
Profit for the half year	1,117,544	4,202,529
Net profit attributable to minority interests	(602,062)	(2,213,573)
Profit after tax attributable to members of the Company	515,482	1,988,956
Basic earnings per share (cents)	3.7	14.0

At the Consolidated Entity level:

Total revenues of \$2,617,277 include:

- (1) \$1,534,447 net gain on financial assets held at fair value through profit or loss (2009: \$5,346,256);
- (2) \$851,912 share of Associate entity's profit (2009: \$1,569,230 loss);
- (3) \$172,234 income from sale of olive oils (2009: \$897,545); and
- (4) \$15,000 dividend income (2009: \$18,517).

Total expenses of \$1,499,733 include:

- (1) \$475,059 personnel expenses (2009: \$572,014);
- (2) \$367,612 olive grove and oils operations (which does not include revaluation and depreciation expenses) (2009: \$937,774);
- (3) \$292,681 costs in relation to land operations (2009: \$22,377); and
- (4) \$77,777 Occupancy costs (2009: \$35,291).

EARNINGS PER SHARE

CONSOLIDATED ENTITY	31 Dec 2010	31 Dec 2009
Basic earnings per share (cents)	4.8	14.0
Weighted average number of fully paid ordinary shares in the Company outstanding during the half year used in the calculation of basic earnings per share	29,927,379	29,927,379

DIRECTORS' REPORT

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 a dividend in respect of the half year ended 31 December 2010.

FINANCIAL POSITION

CONSOLIDATED ENTITY	31 Dec 2010 \$	30 Jun 2010 \$
Cash	2,526,308	2,585,981
Current investments	9,193,799	8,629,841
Non-current investments	2,142,393	2,169,180
Investments in Associate entity	8,464,890	7,835,522
Inventory	2,072,460	2,119,400
Receivables	91,461	211,577
Intangibles	884,683	884,683
Deferred tax assets	2,403,576	2,102,191
Other assets		
Total Assets	27,779,570	26,538,375
Tax liabilities (current and deferred)	(2,403,576)	(2,102,191)
Other payables and liabilities	(627,871)	(585,917)
Net Assets	24,748,123	23,850,267
Issued capital	6,192,427	6,192,427
Reserves	2,449,066	2,431,707
Non-controlling interest	10,996,132	10,961,550
Retained earnings	5,110,498	4,264,583
Total Equity	24,748,123	23,850,267

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.

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 9,063,153 shares in Orion, being 50.88% of its issued ordinary share capital (30 June 2010: 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 31 December 2010 Half Year 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: orionequities.com.au

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

Sections 1.2 to 1.5 below contain information extracted from Orion's public statements.

1.2. Orion's Operating Results for half year ended 31 December 2010

ORION EQUITIES LIMITED Consolidated Entity	31 Dec 2010 \$	31 Dec 2009 \$
Total revenues	2,485,829	8,763,777
Total expenses	(1,195,911)	(3,349,553)
Profit before tax	1,289,918	5,414,224
Income tax expense	-	(1,154,032)
Profit after tax	1,289,918	4,260,192
Profit attributable to members of the Company	1,289,918	4,260,192
Basic and diluted earnings per share	7.2	23.9

ORION EQUITIES LIMITED Consolidated Entity	31 Dec 2010 \$	30 Jun 2010 \$
Net tangible assets (before tax)	21,501,576	20,211,659
Pre-Tax NTA Backing per share	1.207	1.135
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	21,501,576	20,211,659
Pre-Tax NTA Backing per share	1.207	1.135
Based on total issued share capital	17,814,389	17,814,389

DIRECTORS' REPORT

Orion's total revenues of \$2,485,829 include:

- (1) \$1,520,804 net gains on financial assets held at fair value through profit or loss (December 2009: \$5,404,906);
- (2) \$785,400 share of Associate entities' net profit (December 2009: \$1,569,230); and
- (3) \$172,234 income from olive grove operations (December 2009: \$897,545).

Orion's total expenses of \$1,195,911 include:

- (1) \$418,331 olive grove operations (which includes depreciation) (December 2009: \$999,510);
- (2) \$318,472 personnel costs (including Directors' fees) (December 2009: \$296,238);
- (3) \$292,68 land operations costs (December 2009: \$22,377)

1.3. Orion's Dividends

Orion has not declared a dividend in respect of the financial half year ended 31 December 2010.

1.4. Orion's Portfolio Details as at 31 December 2010

Asset Weighting

	% of Net Assets	
	Dec 2010	Jun 2009
Australian equities	76%	75%
Agribusiness ¹	16%	16%
Property held for development and resale	7%	10%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	1%	(1%)
TOTAL	100%	100%

Major Holdings in Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
1. Strike Resources Limited	6.32	28.24%	SRK	Materials
2. Bentley Capital Limited	5.54	24.74%	BEL	Diversified Financials
3. Alara Resources Limited	2.64	11.79%	AUQ	Energy/Materials
TOTAL	14.50	64.77%		

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

DIRECTORS' REPORT

Note: The investment in Strike Resources Limited comprises the following securities:

	Fair Value \$'million	% of Net Assets	ASX Code	
(a) 13,190,802 shares	5.67	25.34%	SRK	
(b) 1,833,333 unlisted \$0.178 (9 Feb 2011) Options	0.42	1.89%	Unlisted	Fair value is based on a Black-Scholes options valuation model applying the following assumptions: (i) SRK's share price being \$0.43 (the last bid price as at 31 December 2010). (ii) A risk free rate of return of 5.02% (based on the 90 day bond yield rate as at 31 December 2010). (iii) An estimated future volatility of SRK's share price of 80%.
(c) 1,666,667 unlisted \$0.278 (9 Feb 2011) Options	0.23	1.01%		
Sub-total	6.32	28.24%		

Subsequent to the 31 December 2010 Balance Date, Orion exercised 1,833,333, 17.8 cent options and 1,666,667, 27.8 cent options held in Strike, at a total cost of \$0.79 million. Orion now holds a total of 16,690,802 shares in Strike, being 12.5% of its total issued capital, with a value of \$8.01 million based on Strike's closing price of 48 cents on 15 February 2011.

1.5. Outline of Orion's Major Assets

An outline of the major assets of Orion is described below:

Strike Resources Limited (ASX Code: SRK)

Strike Resources Limited is a minerals development company with iron ore projects in Peru and a thermal coal project in Indonesia. Orion Director, William Johnson is a Non-Executive Director of Strike and until his resignation in February 2011, Queste and Orion Director, Farooq Khan, was also a Non-Executive Director of Strike.

Orion holds 13,190,802 shares, being 10.14% of Strike's issued ordinary share capital (30 June 2010: 13,190,802 shares and 10.14%) and 3.5 million unlisted options with exercise prices of \$0.178 and \$0.278 per option (as at 31 December 2010).

The value of Orion's holding in Strike declined by \$1,234,672 during the course of the half year. Historically, the share and option holdings in Strike were predominantly earned through the sale of various mining assets to Strike. These assets were acquired and funded to the point of sale to Strike at a cost of approximately \$1.25 million.

They were subsequently on sold to Strike in tranches for a total consideration of \$19 million comprising 11,166,667 Strike shares and 3.5 million unlisted Strike options (with exercise prices of \$0.178 and \$0.278 per option). Orion has also acquired 2,024,135 additional Strike shares on-market and via the conversion of options at \$0.20 each.

As at 31 December 2010, the value of Strike share and option holdings of \$6.32 million (based on a Strike share price of \$0.43 as at 31 December 2010) indicates the generation of significant value for the Queste group. The Company notes that Strike's closing share price as at 23 February 2011 was \$0.455.

Subsequent to the 31 December 2010 Balance Date, Orion has exercised 1,833,333, 17.8 cent options and 1,666,667, 27.8 cent options held in Strike. These unlisted options were due to expire on 9 February 2011 and their exercise prices were well below Strike's closing share price as at 9 February 2011 of 46 cents.

The total cost of exercising these options was \$0.79 million.

As of 31 December 2010, the carrying value of these options recognised in the Consolidated Entity's accounts (using a Black-Scholes valuation model) was \$0.65 million. The value of these additional 3.5 million Strike shares now held by the Consolidated Entity as a result of Orion exercising the options (at a cost of \$0.79 million) is \$1.61 million (based on Strike's closing share price as at 9 February 2011 of 46 cents).

DIRECTORS' REPORT

Orion now holds a total of 16,690,802 shares in Strike, being 12.5% of its total issued capital.

Orion drew down \$400,000 under a \$500,000 revolving loan facility from the Company to meet a portion of the costs of exercising the above Strike options. The loan is unsecured and attracts 10% interest per annum and the facility has a 2 year term expiring in July 2011.

Alara Resources Limited (ASX Code: AUQ)

Alara Resources Limited is a minerals exploration and development company with precious and base metals projects in Saudi Arabia, Oman and Chile and Australia. Queste and Orion Director, Farooq Khan and Orion Director, William Johnson, are Executive Directors of Alara and Orion Director and Queste and Orion Company Secretary, Victor Ho, is also Company Secretary of Alara.

Orion 7,332,744 shares, being 5.8% of Alara's issued ordinary share capital (30 June 2010: 9,332,744 shares and 11.59%), in Alara.

The value of Orion's holding in Alara appreciated by \$1,827,839 during the course of the half year. Historically, the share holding in Alara occurred through the sale of Orion's 25% interest in various uranium tenements to Alara in conjunction with Strike Resources Limited (who held the balance of 75% interest in the same). These assets were acquired and funded to the point of sale to Strike previously at a cost of approximately \$0.05 million. Orion's residual 25% interest was free-carried by Strike thereafter.

Orion's interests in these uranium tenements were subsequently on-sold to Alara for vendor shares in the initial public offering of Alara for a consideration of \$1,562,500 comprising 6,250,000 Alara shares. Orion has also acquired 3,082,744 additional Alara shares via the Alara IPO, on-market purchases and via an in-specie distribution from Strike Resources Limited, at a total cash cost of \$0.59 million.

The value of Alara share holdings of \$2.6 million (based on an Alara share price of \$0.36 as at 31 December 2010) indicates the generation of significant value for the Queste group. Alara's closing share price as at 23 February 2011 was \$0.38, valuing Orion's shareholding at \$2.79 million (up by \$0.19 million from 31 December 2010).

Bentley Capital Limited (ASX Code: BEL)

Bentley is a listed investment company with a current exposure to Australian equities. Queste and Orion Director, Farooq Khan and Orion Director, William Johnson, are Executive Directors of Bentley and Orion Director and Queste and Orion Company Secretary, Victor Ho, is also Company Secretary of Bentley.

Orion holds 20,513,783 shares, being 28.34% of Bentley's issued ordinary share capital (30 June 2010: 20,513,783 shares and 28.49%), in Bentley. The investment is accounted for (by the Consolidated Entity) as an investment in an Associate entity (on an equity accounting basis).

Bentley has net assets of \$31.718 million (as at 31 December 2010) and returned an after tax net profit of \$2.837 million for the financial half year. Bentley's asset weighting as at 31 December 2010 was 95% Australian equities and 5% net cash/ other assets.

Queste and Orion have been in receipt of significant dividend payments from Bentley, having received two fully franked dividends of 1 cent each in calendar 2010. This represents a grossed up dividend yield of 11.45% based on Bentley's volume weighted average share price of \$0.2496 during this same period.

Agribusiness Assets

These assets relate to Orion's 143 hectare commercial olive grove operations located in Gingin, Western Australia (approximately 100 kilometres North of Perth) producing olive oil from approximately 64,500, 11 year old olive tree plantings, together with the Dandaragan Estate Ultra Premium Olive Oil brand. The Dandaragan Estate Ultra premium brand was acquired in June 2009 to facilitate the transition of oil

DIRECTORS' REPORT

production from the grove from the wholesale market to the higher value retail market. Orion also has a one gigalitre per annum water licence for the olive grove.

During the half year total income from the sale of bulk and premium olive oils was \$172,234 (Dec 2009: \$897,545) with total olive grove and oils operations costs (excluding revaluation and depreciation expenses) of \$367,612 (Dec 2009: \$937,774). It is noted that due to the timing of the annual harvest in approximately March - April of each year, there is some carry-over of costs (and oil inventories) from one financial year to the next.

Other Property Assets

This relates to Orion's property located in Mandurah, Western Australia. Orion is undertaking a renovation of this property for the rental market.

2. Other Investments

In addition to the investment in Orion, which is valued at \$3,398,682 (30 June 2010: \$3,252,088) and Bentley, which is valued at \$461,266, Queste holds cash of \$1,850,182 (30 June 2010: \$2,188,451) and investments in other listed securities of \$121,052.

During the half year, Queste has undertaken investments in ASX listed securities, generating:

- (a) \$2,710 net realised gain (31 December 2009: \$9,474); and
- (b) \$79,907 net unrealised gain (31 December 2009: \$49,177 loss). This relates predominantly to a \$62,625 market increment in value of Queste's investment in Bentley Capital Limited from \$0.225 (30 June 2010) to \$0.265 as at 31 December 2010. The Board notes that this is substantially below the underlying value of Bentley as reflected by its after tax NTA backing of \$0.439 as at 31 December 2010.

Queste will continue to look at undertaking investments in listed securities where appropriate to endeavour to achieve a return on investments beyond that afforded by the interest rates applicable on term deposits.

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>Other current directorships in listed entities</i>	Executive Chairman of: <ul style="list-style-type: none"> (1) Bentley Capital Limited (since 2 December 2003) (2) Orion Equities Limited (since 6 October 2006) Executive Director of: <ul style="list-style-type: none"> (3) Alara Resources Limited (since 14 May 2007) Non-Executive Chairman of: <ul style="list-style-type: none"> (4) ITS Capital Investments Ltd (Director since 27 April 2006)

DIRECTORS' REPORT

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>Other current directorships in listed entities</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>Other current directorships in listed entities</i>	Non-Executive Directors of 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>Other current directorships in listed entities</i>	Chairman of: (1) Convergent Minerals Limited (since 25 July 2006) (2) Advanced Share Registry Limited (since 22 August 2007) Non-Executive Director of: (3) Transactions Solutions International Limited (since 24 February 2010) (4) Greenland Minerals and Energy Ltd (since 21 February 2006)

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 current positions held in listed entities</i>	Executive Director and Company Secretary of:
	(1) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003)
	Company Secretary of:
	(2) Bentley Capital Limited (since 5 February 2004)
	(3) 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 13. 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
Non-Executive Director

28 February 2011

28 February 2011

The Directors
Queste Communications Limited
Level 14, The Forrest Centre
221 St Georges Terrace
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 2010, 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
- no contraventions of any applicable code of professional conduct in relation to the review.

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



Chris Burton
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 December 2010

	31 Dec 10	31 Dec 09
	\$	\$
Revenue from continuing operations		
Other income		
- Net gains on financial assets held at fair value through profit or loss	1,534,447	5,365,204
- Share of Associate entity's net profits	851,912	1,569,230
- Other	1,243	-
	<u>2,617,277</u>	<u>7,896,020</u>
Expenses		
Costs of goods sold in relation to olive grove and oils operations	(418,331)	(999,510)
Impairment of property held for development and resale	-	(950,000)
Other costs in relation to land operations	(292,681)	(22,377)
Occupancy	(77,777)	(35,291)
Personnel	(475,059)	(572,014)
Financing	(3,666)	(4,983)
Borrowing cost	(1,366)	-
Corporate	(99,405)	(46,891)
Other administration expenses		
- depreciation	(3,327)	(3,626)
- other	(128,121)	(209,412)
	<u>1,117,544</u>	<u>5,051,916</u>
Profit before income tax	1,117,544	5,051,916
Income tax expense	-	(849,387)
	<u>1,117,544</u>	<u>4,202,529</u>
Other comprehensive income		
Changes in asset revaluation reserve, net of tax	17,359	-
Other comprehensive income, net of tax	<u>17,359</u>	<u>-</u>
	<u>1,134,903</u>	<u>4,202,529</u>
Profit attributable to:		
Owners of Queste Communications Ltd	515,482	1,988,956
Non-controlling interest	602,062	2,213,573
	<u>1,117,544</u>	<u>4,202,529</u>
Total comprehensive income for the year attributable to		
Owners of Queste Communications Ltd	532,841	1,988,956
Non-controlling interest	602,062	2,213,573
	<u>1,134,903</u>	<u>4,202,529</u>
Basic earnings per share	3	14.0
Diluted earnings per share	3	8.7

The accompanying notes form part of this financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

		31 Dec 10	30 Jun 10
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	2,526,308	2,585,981
Financial assets held at fair value through profit and loss	5	9,193,799	8,629,841
Trade and other receivables		58,638	178,754
Inventories - Olive Oils		572,460	619,400
Other current assets		12,642	-
TOTAL CURRENT ASSETS		12,363,847	12,013,976
NON CURRENT ASSETS			
Trade and other receivables		32,823	32,823
Inventories - Land		1,500,000	1,500,000
Investments accounted for using the equity method	6	8,464,890	7,835,522
Property, plant and equipment		2,064,251	2,103,680
Olive trees		65,500	65,500
Intangible assets		884,683	884,683
Deferred tax assets		2,403,576	2,102,191
TOTAL NON CURRENT ASSETS		15,415,723	14,524,399
TOTAL ASSETS		27,779,570	26,538,375
CURRENT LIABILITIES			
Trade and other payables		422,190	432,415
TOTAL CURRENT LIABILITIES		422,190	432,415
NON CURRENT LIABILITIES			
Provisions		205,681	153,502
Deferred tax liabilities		2,403,576	2,102,191
TOTAL NON CURRENT LIABILITIES		2,609,257	2,255,693
TOTAL LIABILITIES		3,031,447	2,688,108
NET ASSETS		24,748,123	23,850,267
EQUITY			
Issued capital		6,192,427	6,192,427
Reserves		2,449,066	2,431,707
Retained earnings		5,110,498	4,264,583
Parent interest		13,751,991	12,888,717
Non-controlling interest		10,996,132	10,961,550
TOTAL EQUITY		24,748,123	23,850,267

The accompanying notes form part of this financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2010

	Note	Issued Capital	Option Premium Reserves	Asset Revaluation Reserves	Retained earnings	Non- controlling Interest	Total
		\$	\$	\$	\$	\$	\$
At 1 July 2009		6,192,427	2,138,012	307,633	4,093,050	10,398,104	23,129,226
Profit for the half year		-	-	-	1,988,956	2,213,573	4,202,529
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>
At 1 July 2010		6,192,427	2,138,012	293,695	4,264,583	10,961,550	23,850,267
Profit for the half year		-	-	-	515,482	602,062	1,117,544
Changes in asset revaluation reserve		-	-	17,359	-	-	17,359
Total comprehensive income for the half year		-	-	17,359	515,482	602,062	1,134,903
Transactions with owners in their capacity as owners:							
Transactions with non-controlling interest		-	-	-	330,433	(567,480)	(237,047)
At 31 December 2010		<u>6,192,427</u>	<u>2,138,012</u>	<u>311,054</u>	<u>5,110,498</u>	<u>10,996,132</u>	<u>24,748,123</u>

The accompanying notes form part of this financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2010

	Note	31 Dec 10	31 Dec 09
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		173,477	897,545
Sale proceeds from trading portfolio		1,138,680	1,059,608
Payments for trading portfolio		(168,190)	-
Payments to suppliers and employees		(1,502,495)	(2,065,210)
Interest received		78,311	55,703
Interest paid		(1,366)	-
Income tax paid		-	(833)
Dividends received		237,544	223,655
NET CASH OUTFLOW/(INFLOW) FROM OPERATING ACTIVITIES		<u>(44,039)</u>	<u>170,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(15,634)	(1,002)
Payments for investment securities		-	(553,883)
Proceeds from sale of investment securities		-	58,359
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(15,634)</u>	<u>(496,526)</u>
NET DECREASE IN CASH HELD		(59,673)	(326,058)
Cash and cash equivalents at beginning of the financial half year		2,585,981	3,440,088
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL HALF YEAR	4	<u><u>2,526,308</u></u>	<u><u>3,114,030</u></u>

The accompanying notes form part of this financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2010

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 2010 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.

2. CONSOLIDATED PROFIT FOR THE HALF YEAR

Profit for the half year includes the following items of revenue and expenses below.

	31 Dec 10	31 Dec 09
	\$	\$
(a) Revenue from continuing operations		
Dividends received	15,000	18,517
Income from sale of olive oils	172,234	897,545
Interest received - other	42,441	45,524
	<u>229,675</u>	<u>961,586</u>
Other income		
Net gains on financial assets held at fair value through profit or loss	1,534,447	5,365,204
Share of Associate entity's profit	851,912	1,569,230
Other income	1,243	-
	<u>2,387,602</u>	<u>6,934,434</u>
	<u>2,617,277</u>	<u>7,896,020</u>
(c) Expenses from continuing operations		
Costs in relation to olive grove operations		
- Cost of goods sold	349,723	857,936
- Depreciation expenses	50,719	61,736
- Other expenses	17,889	79,838
Costs in relation to land operations		
- Impairment of property held for development and resale	-	950,000
- Other expenses	292,681	22,377
Occupancy expenses	77,777	35,291
Personnel - remuneration and other	468,342	575,099
- employee entitlements	6,717	(3,085)
Finance expenses	3,666	4,983
Borrowing cost	1,366	-
Corporate expenses - Consultancy	57,734	23,746
- Other corporate expenses	41,671	23,145
Administration expenses		
- Communications	27,811	31,715
- Professional fees	1,208	29,176
- Brokerage fees	6,177	9,990
- Realisation cost of share portfolio provision	13,402	22,654
- Write off fixed assets	2,040	1,200
- Depreciation expenses - other assets	3,327	3,626
- Other expenses	77,483	114,677
	<u>1,499,733</u>	<u>2,844,104</u>

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2010

3. EARNINGS PER SHARE

	31 Dec 10	31 Dec 09
Basic earnings per share (cents)	3.7	14.0
Diluted earnings per share (cents)	2.3	8.7
Profit used to calculate earnings per share (\$)	1,117,544	4,202,529

(a) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31 Dec 10	31 Dec 09
Net Profit (\$)	1,117,544	4,202,529
Weighted average number of ordinary shares (i)	29,927,379	29,927,379

(i) The Consolidated Entity'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 per share.

The Consolidated Entity'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 per share. These securities are included in the determination of diluted earnings per share on the basis that each partly paid share will become fully paid.

(b) Diluted earnings per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	31 Dec 10	31 Dec 09
Net Profit (\$)	1,117,544	4,202,529
Weighted average number of ordinary shares (i)	48,404,879	48,404,879

Weighted average number of shares used as the denominator

The weighted average number of ordinary shares used as the denominator in calculating basic earnings) per share

Adjustments for calculation of diluted earnings per share

Portion of partly-paid ordinary shares that remain unpaid

29,927,379	29,927,379
18,477,500	18,477,500
48,404,879	48,404,879

4. CASH AND CASH EQUIVALENTS

	31 Dec 10	30 Jun 10
	\$	\$
Cash at bank	1,895,006	940,709
Term deposit	631,302	1,645,272
	2,526,308	2,585,981

5. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Current

Listed securities at fair value	8,544,619	7,669,346
Unlisted options in listed corporations at cost	10,000	10,000
Add: net change in fair value	639,180	950,495
	649,180	960,495
	9,193,799	8,629,841
Net gains on financial assets held at fair value through profit or loss	1,534,447	2,572,398

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2010

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest		Carrying Amount	
		31 Dec 10	30 Jun 10	31 Dec 10	30 Jun 10
				\$	\$
Bentley Capital Limited (BEL)	Investments	30.8%	28.5%	8,464,890	7,835,522
				<u>8,464,890</u>	<u>7,835,522</u>
Movement in Investments in Associate				31 Dec 10	30 Jun 10
				\$	\$
Shares in listed Associate entity brought forward				7,835,522	6,851,981
Share of profit before income tax expense				851,912	874,850
Share of income tax expense				-	-
Dividend from Associate entity				(222,544)	(445,089)
Acquisition of BEL shares				-	553,780
Carrying amount at the end of the financial period				<u>8,464,890</u>	<u>7,835,522</u>
Fair value of listed investments in Associate				<u>5,897,418</u>	<u>5,007,242</u>
Net tangible asset value of listed investments in Associate				<u>9,769,685</u>	<u>9,124,307</u>
Share of Associate's profits					
Profit before income tax				851,912	874,850
Share of income tax expense				-	-
Profit after income tax				<u>851,912</u>	<u>874,850</u>
Group share of:					
Summarised Financial Position of Associate					
Current assets				9,780,987	9,169,156
Non current assets				133,313	42,624
Total assets				<u>9,914,300</u>	<u>9,211,780</u>
Current liabilities				(15,772)	(39,368)
Non current liabilities				(134,770)	(44,567)
Total liabilities				<u>(150,542)</u>	<u>(83,935)</u>
Net assets				<u>9,763,758</u>	<u>9,127,845</u>
Revenues				1,065,638	1,282,312
Profit after income tax of Associate				<u>851,912</u>	<u>874,850</u>

Bentley Capital Limited - Lease Commitments

BEL and its subsidiary, Scarborough Equities Pty Ltd , have the same lease commitments as disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2010

7. RELATED PARTY DISCLOSURES

(a) Transactions with related parties

The Company is deemed to control Orion Equities Limited (OEQ). During the financial half year, there were transactions between the Company, OEQ and Associate entity of OEQ, Bentley Capital Limited (BEL), pursuant to shared office and administration expense arrangements. Interest is not charged on such outstanding amounts and amounts were fully received/(paid) by balance date. The following transactions also occurred with these parties:

	31 Dec 10	31 Dec 09
Dividends received from:	\$	\$
Bentley Capital Limited	222,544	445,089

On 14 October 2010, the Company acquired 2.84% of the issued capital of its subsidiary, Orion Equities Limited (OEQ) increasing its shareholding to 50.88%. The acquisition was purchased on-market for a cash consideration of \$219,686.

(b) Other transactions with key management personnel

A Director, Mr Simon Cato, is also a director of Advanced Share Registry Limited, which provides share registry services to the Consolidated Entity.

	2010	2009
Amounts recognised as expense	\$	\$
Share registry fees	4,341	-

There were no other transactions with key management personnel (or their personally related entities) during the financial year.

8. SEGMENT INFORMATION

The Consolidated Entity has considered the product and geographical perspective of the operating results and determined that the Consolidated Entity operates only in Australia with segments in Investments and Olive Grove. Unallocated items comprise predominantly of corporate assets, office expenses and income tax assets and liabilities.

	Investments	Olive Grove	Unallocated	Total
	\$	\$	\$	\$
31 Dec 10				
Total segment revenue	2,401,359	172,234	43,684	2,617,277
Adjusted EBITDA	2,101,423	(214,141)	(737,659)	1,149,623
Total segment asset	19,158,689	3,605,228	-	22,763,917
Total segment liabilities	-	(170,504)	-	(170,504)
6 months to 31 Dec 09				
Total segment revenue	6,952,951	897,545	45,524	7,896,020
Adjusted EBITDA	6,920,584	(40,229)	(829,764)	6,050,591
Year to 30 Jun 10				
Total segment asset	17,965,361	3,725,056	-	21,690,417
Total segment liabilities	(116,455)	(147,245)	-	(263,700)

NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2010

8. SEGMENT INFORMATION (continued)

(a) Other segment information

(i) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The adjusted EBITDA excludes net change in fair value in investments and impairment of assets.

	31 Dec 10	31 Dec 09
	\$	\$
Adjusted EBITDA	1,149,623	6,050,591
Interest revenue	42,441	45,524
Discount on acquisition		
Impairment of property held for development and resale	-	(950,000)
Finance cost	(5,032)	(4,983)
Realisation cost of share portfolio provision	(13,402)	(22,654)
Fixed assets written off	(2,040)	(1,200)
Depreciation	(54,046)	(65,362)
Profit before income tax	<u>1,117,544</u>	<u>5,051,916</u>
(ii) Segment assets	22,763,917	21,690,417
Unallocated:		
Cash and cash equivalents	2,526,308	2,585,981
Trade and other receivables	39,051	159,786
Other current assets	12,643	-
Property, plant and equipment	34,075	-
Deferred tax asset	2,403,576	2,102,191
Total assets as per the Statement of Financial Position	<u>27,779,570</u>	<u>26,538,375</u>
(iii) Segment liabilities	(170,504)	(263,700)
Unallocated:		
Trade and other payables	(251,687)	(163,715)
Provisions	(205,680)	(153,502)
Deferred tax liability	(2,403,576)	(2,102,191)
Total liabilities as per the Statement of Financial Position	<u>(3,031,447)</u>	<u>(2,688,108)</u>

9. COMMITMENTS

	31 Dec 10	30 Jun 10
	\$	\$
Not longer than one year	84,697	82,633
Between 12 months and 5 years	127,002	170,384
	<u>211,699</u>	<u>253,017</u>

The non-cancellable operating lease commitment is the Consolidated Entity'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 2010

10. CONTINGENT ASSETS AND LIABILITIES

(a) Directors' Deeds

The Company and OEQ have entered into deeds of indemnity with each of their Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Company. 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 of the Consolidated Entity under these indemnities.

(b) Royalty on Tenements

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from various Australian tenements - EL 47/1328 and PL 47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited), EL 24879, 24928 and 24929 and ELA 24927 (the Bigryli South Project tenements in the Northern Territory, currently held by Alara Resources Limited (Alara)) and EL 46/629 and a right to earn and acquire a 85% interest in ELA 46/585 (excluding all manganese mineral rights) (the Canning Well Project tenements in Western Australia, currently held by Alara).

11. EVENTS AFTER BALANCE DATE

- (a) On 8 February 2011, Orion Equities exercised 1,833,333, 17.8 cent options and 1,666,667, 27.8 cent options held in ASX listed Strike Resources Limited (ASC Code: SRK). These unlisted options were due to expire on 9 February 2011 and their exercise prices were well below Strike's closing share price as at 9 February 2011 of 46 cents. The total cost of exercising these options was \$789,667.

As of 31 December 2010, the carrying value of these options recognised in the Consolidated Entity's accounts (using a Black-Scholes valuation model) was \$0.65 million. The value of these additional 3.5 million Strike shares now held by the Consolidated Entity as a result of exercising the options (at a cost of \$0.79 million) is \$1.56 million (based on Strike's closing share price as at 23 February 2011 of 44.5 cents).

The Consolidated Entity now holds a total of 16,690,802 shares in Strike, being 12.5% of its total issued capital.

- (b) On 2 February 2011, Orion Equities drew down \$400,000 under a \$500,000 revolving loan facility from the Company to meet a portion of the costs of exercising the above Strike options. The loan is unsecured and attracts 10% interest per annum and the facility has a 2 year term expiring in July 2011.
- (c) On 28 February 2011, Associate entity, Bentley Capital Limited, announced the declaration of a one cent per share fully franked dividend, to be paid on or about 15 March 2011. The Company share of this dividend will be ~\$17,406 and Orion Equities' share of this dividend will be ~\$205,138 .

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 2010 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
Non-Executive Director

28 February 2011

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

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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 consolidated entity's financial position as at 31 December 2010 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*, which has been given to the directors of Queste Communications Limited, would be in the same terms if given to the directors as at the time of this auditor's report.




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 2010 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


Chris Burton
Director

Perth, Western Australia.
Dated this 28th day of February 2011

SECURITIES INFORMATION

as at 31 December 2010

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	0.029%
1,001	-	5,000	63	188,548	0.664%
5,001	-	10,000	73	690,825	2.432%
10,001	-	100,000	128	3,536,120	12.449%
100,001	-	and over	26	23,981,135	84.426%
Total			302	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	* CLEOD PTY LTD <CELLANTE SUPER FUND A/C> BELL IXL INVESTMENTS LIMITED CELLANTE SECURITIES PTY LIMITED	867,644 3,603,659 2,053,282		
		Sub-total	6,524,585	22.970
2	* FAROOQ KHAN ISLAND AUSTRALIA PTY LTD SKIN-PLEX LABORATORIES PTY LTD THE ESSENTIAL EARTH PTY LTD MR FAROOQ KHAN	2,399,484 3,668,577 20,000 20,000 21,883		
		Sub-total	6,129,944	21.581
3	* MR AZHAR CHAUDHRI CHI TUNG INVESTMENTS LTD RENMUIR HOLDINGS LTD	10,000 1,050,000 3,277,780		
		Sub-total	4,337,780	15.271
4	* MANAR NOMINEES PTY LTD MANAR NOMINEES PTY LTD <ZELWER SUP BENEFIT FUND A/C>	1,725,663 180,500		
		Sub-total	1,906,163	6.711
5	MR ANDREW GRAEME MOFFAT & ELIZABETH ANN MOFFAT <COWOSO SUPER FUND A/C>		1,150,000	4.049
6	DONALD GORDON MACKENZIE & GWENNETH EDNA MACKENZIE		849,360	2.990
7	DATABASE SYSTEMS LTD		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	GIBSON KILLER PTY LTD		200,000	0.704
13	TOMATO 2 PTY LTD		185,019	0.651
14	SAMDY NOMINEES PTY LTD		150,000	0.528
15	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		136,125	0.479
16	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER <THE KILLER SUPER A/C>		130,000	0.458
17	MR SIMON KENNETH CATO <S K CATO SUPER FUND A/C>		118,000	0.415
18	MR GREGORY JOHN MATHESON		110,742	0.390
19	MR EUGENE RODRIGUEZ		110,000	0.387
20	NICHOLAS PASTERNAKY		103,750	0.365
Total			24,053,018	84.679

* A substantial shareholder of the Company