



Queste Communications Ltd

A.B.N 58 081 688 164

HALF YEAR REPORT

31 December 2007

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2007 ANNUAL REPORT OF THE COMPANY

www.queste.com.au



QUESTE COMMUNICATIONS LTD

A.B.N. 58 081 688 164

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CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

Level 14, The Forrest Centre
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SECURITIES EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

AUDITORS

BDO Kendalls Audit & Assurance (WA) Pty Ltd
128 Hay Street
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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 2007 to 31 December 2007
Previous Corresponding Period:	1 July 2006 to 31 December 2006
Balance Date:	31 December 2007
Company:	Queste Communications Ltd (QUE)
Consolidated Entity:	OEQ and controlled entities:
	(1) Orion Equities Limited (OEQ or Orion Equities) and controlled entities
	(OEQ is an ASX listed investment company in which QUE is a 48% controlling shareholder)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Consolidated			Company		
	Dec 2007 \$	Dec 2006 \$	% Change	Dec 2007 \$	Dec 2006 \$	% Change
Total revenues	4,392,322	15,376,898	-71%	315,330	1,090,919	-71%
Total expenses	(4,461,068)	(6,570,673)	-32%	(249,864)	(885,804)	-72%
Profit/(Loss) before tax	(68,746)	8,806,225	-101%	65,466	205,115	-68%
Income tax benefit/(expense)	644,257	(1,768,916)	-136%	-	(7,922)	0%
Profit after tax	575,511	7,037,309	-92%	65,466	197,193	-67%
Net profit attributable to minority interests	(168,924)	(4,138,959)	-96%	-	-	unchanged
Profit after tax attributable to members	406,587	2,898,350	-86%	65,466	197,193	-67%
Basic earnings per share (cents)	1.38	9.86	-86%	0.22	0.67	-67%
Diluted earnings per share (cents)	0.84	5.99	-86%	0.14	0.41	-67%
Undiluted post tax NTA backing per share (cents)	67.24	68.20	-1%	40.54	41.49	-2%
Diluted post tax NTA Backing per share (cents)	48.69	49.28	-1%	32.48	33.05	-2%

NTA backings at the Consolidated Entity level are reported net of minority interests. Please also refer to the attached Directors' Report for further information on the NTA backing of the Company and Consolidated Entity (in particular, at pages 7 and 8).

APPENDIX 4D HALF YEAR REPORT

Brief Explanation of Results

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

At the Queste Communications Ltd Company level:

The Company decreased its after tax net profit by 67% during the current reporting period to \$65,466 (compared with \$197,193 in the previous corresponding period).

Total revenues of \$315,330 (Dec 2006: \$1,090,919) include:

- (1) \$179,823 dividend income (Dec 2006: \$256,744);
- (2) \$88,060 interest income (Dec 2006: \$92,818);
- (3) \$77,910 gross proceeds from the sale of equity investments (Dec 2006: \$332,929);
- (4) \$31,463 unrealised loss on fair value of investments (Dec 2006: \$368,018 unrealised gain).

Total expenses of \$249,864 include:

- (1) \$136,317 personnel expenses (Dec 2006: \$127,400);
- (2) \$49,000 costs of disposal of equity investments (Dec 2006: \$678,867).

Please also refer to the balance of this December 2007 Half Year Report.

DIVIDENDS

The Directors have not declared an interim dividend for the Company.

The Directors reserve the right to declare a final dividend subject to the Company earning sufficient net profits for the year ending 30 June 2008.

Orion Equities will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking	Total Dividends Payable
1.5 cents per share	22 March 2008	29 March 2008	Fully franked	\$267,216

Controlled Entities

The Company did not gain or lose control over entities during the current reporting period.

Associates and Joint Venture Entities

The Company did not gain or lose an interest in an associate entity or a material interest in a joint venture entity during the current reporting period.

For and on behalf of the Directors,



Victor Ho
Company Secretary

Date: 29 February 2008
Telephone: (08) 9214 9777
Email: info@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 financial half-year ended 31 December 2007 (**Balance Date**).

Queste is a 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.

Queste has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year. Controlled entities are ASX listed investment company, Orion Equities Limited ABN 77 000 742 843 (**Orion Equities** or **OEQ**) and controlled entities of Orion Equities:

- (1) Silver Sands Developments Pty Ltd (ACN 094 097 122), a wholly owned subsidiary of OEQ;
- (2) Central Exchange Mining Ltd (ACN 119 438 265), a wholly owned subsidiary of OEQ;
- (3) Koorian Olives Pty Ltd (ACN 120 616 891) (formerly OEQO Pty Ltd) incorporated in Western Australia on 7 July 2006, a wholly owned subsidiary of OEQ;
- (4) Orion Indo Operations Pty Ltd (ACN 124 702 245) incorporated in Western Australia on 30 March 2007, a wholly owned subsidiary of OEQ;
- (5) PT Orion Indo Mining, incorporated in Indonesia on 4 April 2007, 100% beneficially owned by Orion Indo Operations Pty Ltd; and
- (6) AquaVerde Holdings Pty Ltd (ACN 128 938 090) incorporated in Western Australia on 17 December 2007, 50% owned by Silver Sands Developments Pty Ltd.

Orion Equities has been treated as a controlled entity by virtue of the Company being a 48.04% shareholder of Orion Equities as at Balance Date (30 June 2007: 48.04%).

OPERATING RESULTS

	Consolidated		Company	
	Dec 2007	Dec 2006	Dec 2007	Dec 2006
	\$	\$	\$	\$
Total revenues	4,392,322	15,376,898	315,330	1,090,919
Total expenses	(4,461,068)	(6,570,673)	(249,864)	(885,804)
Profit/(Loss) before tax	(68,746)	8,806,225	65,466	205,115
Income tax benefit/(expense)	644,257	(1,768,916)	-	(7,922)
Profit after tax	575,511	7,037,309	65,466	197,193
Net profit attributable to minority interests	(168,924)	(4,138,959)	-	-
Profit after tax attributable to members	406,587	2,898,350	65,466	197,193

The Company decreased its after tax net profit by 67% during the current reporting period to \$65,466 (compared with \$197,193 in the previous corresponding period).

DIRECTORS' REPORT

Total revenues of \$315,330 (Dec 2006: \$1,090,919) include:

- (1) \$179,823 dividend income (Dec 2006: \$256,744);
- (2) \$88,060 interest income (Dec 2006: \$92,818);
- (3) \$77,910 gross proceeds from the sale of equity investments (Dec 2006: \$332,929);
- (4) \$31,463 unrealised loss on fair value of investments (Dec 2006: \$368,018 unrealised gain).

Total expenses of \$249,864 include:

- (1) \$136,317 personnel expenses (Dec 2006: \$127,400);
- (2) \$49,000 costs of disposal of equity investments (Dec 2006: \$678,867).

EARNINGS PER SHARE

	Consolidated Entity		Company	
	Dec 2007	Dec 2006	Dec 2007	Dec 2006
Basic earnings per share (cents)	1.38	9.86	0.22	0.67
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of basic earnings per share	29,404,879	29,404,879	29,404,879	29,404,879
Diluted earnings per share (cents)	0.84	5.99	0.14	0.41
Weighted average number of fully paid ordinary shares in the Company outstanding during the year used in the calculation of diluted earnings per share	48,404,879	48,404,879	48,404,879	48,404,879

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

The Company's partly paid shares are included in the determination of diluted earnings per share on the basis that each partly paid share has become fully paid.

DIRECTORS' REPORT

FINANCIAL POSITION

	Consolidated Entity		Company	
	Dec 2007	Jun 2007	Dec 2007	Jun 2007
	\$	\$	\$	\$
Cash	4,006,205	4,774,405	3,167,220	3,154,207
Current investments - equities	20,316,123	21,088,044	171,649	152,390
Non-current investments - equities	-	-	11,211,147	11,596,262
Investments - listed Associate entities	11,041,863	11,639,534	-	-
Inventory	3,821,038	3,821,038	-	-
Intangibles	250,000	250,000	-	-
Receivables	93,707	196,921	19,804	62,542
Deferred tax assets	-	-	-	-
Other assets	3,256,036	3,122,114	20,587	22,032
	42,784,972	44,892,056	14,590,407	14,987,433
Tax liabilities	(4,000,365)	(5,208,215)	(2,521,040)	(2,636,575)
Other payables and liabilities	(590,820)	(1,807,112)	(148,264)	(152,130)
Net assets	38,193,787	37,876,729	11,921,103	12,198,728
Contributed Equity	6,087,927	6,087,927	6,087,927	6,087,927
Reserves	2,138,012	2,138,012	7,990,979	8,260,558
Outside equity interest	18,173,227	17,574,033	-	-
Retained earnings/(accumulated losses)	11,794,621	12,076,757	(2,157,803)	(2,149,757)
Total Equity	38,193,787	37,876,729	11,921,103	12,198,728

NET TANGIBLE ASSET BACKING

The effects of the Company's 20,000,000 partly paid ordinary shares (which were issued at a price of 20 cents each and have been partly paid to one cent each and have an outstanding amount payable of 19 cents per partly paid share) on the net tangible asset (**NTA**) backing of the Company and Consolidated Entity have been considered below.

The Directors also note that the Company's NTA at Balance Date includes a valuation of the Company's 8,558,127 shares in Orion Equities (representing a 48.04% interest) at Orion Equities' last bid price on ASX at Balance Date of \$1.31 per share. This compares with OEQ's post tax NTA backing of \$1.95 per share at Balance Date.

The undiluted (which includes a representation of the extent (1/20th) to which the partly paid shares have been paid) and diluted (which includes the full effects of all partly paid shares) NTA backing per share as at the Balance Date are as follows.

DIRECTORS' REPORT

(1) NTA BACKING - UNDILUTED FOR PARTLY PAID SHARES

	Company	
	Dec 2007	Jun 2007
NTA (pre tax)	\$14,442,143	\$14,835,303
NTA (post tax)	\$11,921,103	\$12,198,728
Share capital base of the Company:		
Fully paid ordinary shares	28,404,879	28,404,879
Portion of 20,000,000 partly paid ordinary shares (representing the extent to which such shares have been paid, being one cent per share with a balance of the call of 19 cents per share)	1,000,000	1,000,000
Adjusted undiluted total fully paid ordinary share capital	<u>29,404,879</u>	<u>29,404,879</u>
Undiluted pre-tax NTA backing per share	\$0.49	\$0.50
Undiluted post-tax NTA backing per share	<u>\$0.41</u>	<u>\$0.41</u>

(2) NTA BACKING - DILUTED FOR PARTLY PAID SHARES

	Company	
	Dec 2007	Jun 2007
Proceeds on conversion of 20,000,000 partly paid ordinary shares into fully paid ordinary shares	\$3,800,000	\$3,800,000
Diluted NTA (pre tax)	\$18,242,143	\$18,635,303
Diluted NTA (post tax)	<u>\$15,721,103</u>	<u>\$15,998,728</u>
Share capital base of the Company:		
Fully paid ordinary shares	28,404,879	28,404,879
Conversion of 20,000,000 partly paid ordinary shares into fully paid ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>
Fully diluted total fully paid ordinary share capital of the Company	<u>48,404,879</u>	<u>48,404,879</u>
Diluted pre-tax NTA backing per share	\$0.38	\$0.38
Diluted post-tax NTA backing per share	<u>\$0.32</u>	<u>\$0.33</u>

DIRECTORS' REPORT

DIVIDENDS

The Directors have not declared an interim dividend for the Company.

The Directors reserve the right to declare a final dividend subject to the Company earning sufficient net profits for the year ending 30 June 2008.

Orion Equities will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking	Total Dividends Payable
1.5 cents per share	22 March 2008	29 March 2008	Fully franked	\$267,216

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 one cent with 19 cents per partly paid ordinary share outstanding.

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

The terms of issue of the Company's 20,000,000 partly paid shares were disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998 and are attached to this Directors' Report.

REVIEW OF OPERATIONS

1. Orion Equities Limited (OEQ)

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

At 31 December 2007, OEQ had a market capitalisation of \$23.34 million (at \$1.31 per share), net assets of \$34.95 million (at \$1.949 after tax NTA backing per share), 17,814,389 fully paid ordinary shares on issue, and 760 shareholders on its share register (31 December 2006: \$21.47 million market capitalisation (at \$1.205 per share), net assets of \$34.6 million (at \$1.931 cents after tax NTA backing per share), 17,814,389 shares on issue, and 820 shareholders).

The Company holds 8,558,127 shares in Orion Equities, being 48.04% of OEQ's issued ordinary share capital (30 June 2007: 8,558,127 shares or 48.04%). In light of such significant shareholding, Orion Equities has been recognised as a controlled entity and included as part of the Consolidated Entity since 1 July 2002.

Queste shareholders are advised to refer to the 31 December 2007 Half Year Report, 2007 Annual Report and the monthly NTA disclosures lodged by Orion Equities for further information about the status and affairs of such company.

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

DIRECTORS' REPORT

DIRECTORS

Michael van Rens resigned as a Non-Executive Director of the Company on 5 February 2008. Simon Cato was appointed as a Non-Executive Director of the Company on 6 February 2008.

Information concerning current Directors are as follows:

Farooq Khan Executive Chairman and Managing Director

Appointed 10 March 1998

Qualifications BJuris , LLB. (*Western Australia*)

Experience 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.

Relevant interest in shares 6,108,061 shares

Special Responsibilities Chairman of the Board and Managing Director

Other current directorships in listed entities Current Chairman of:
 (1) Bentley International Limited (BEL) (since 2 December 2003).
 (2) Scarborough Equities Limited (SCB) (since 29 November 2004)
 (3) Orion Equities Limited (OEQ) (since 6 October 2006)
 Current Executive Director of:
 (4) Strike Resources Limited (SRK) (since 9 September 1999);
 (5) Alara Uranium Limited (AUQ) (since 14 May 2007)
 (6) Interstaff Recruitment Limited (ITS) (since 27 April 2006)

Azhar Chaudhri Non-Executive Director

Appointed 4 August 1998

Qualifications Bachelor of Science degree in Maths and Physics and a Masters degree in Economics and postgraduate computer studies

Experience 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

Relevant interest in shares 3,693,500 shares
 20,000,000 partly paid shares

Special Responsibilities None

Other current directorships in listed entities None

DIRECTORS' REPORT

Yaqoob Khan Non-Executive Director

Appointed 10 March 1998

Qualifications BCom (*Western Australia*), Master of Science in Industrial Administration (*Carnegie Mellon*)

Experience 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

Relevant interest in shares 157,920 shares

Special Responsibilities None

Other current directorships in listed entities Orion Equities Limited (OEO) (since 5 November 1999).

Simon K. Cato Non-Executive Director

Appointed 6 February 2008

Qualifications B.A. (*USYD*), MSDIA

Experience 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 listings in the dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.

Relevant interest in shares 193,000 shares

Special Responsibilities None

Other current directorships in listed entities Current Chairman of:
(1) Convergent Minerals Limited (CVG) (since 25 July 2006)
(2) Sofcom Limited (SOF) (since 8 January 2004)

Current Director of:
(3) Greenland Minerals and Energy Ltd (GGG) (since 21 February 2006)
(4) Bentley International Limited (BEL) (since 5 February 2004)
(5) Scarborough Equities Limited (SCB) (since 29 November 2004)

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

DIRECTORS' REPORT

COMPANY SECRETARY

Victor P. H. Ho — **Company Secretary**

Appointed — 30 August 2000

Qualifications — BCom, LLB (*Western Australia*)

Experience — 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.

Relevant interest in shares — Nil

Other positions held in listed entities — Current Executive Director and Company Secretary of:

- (1) Strike Resources Limited (SRK) (Secretary since 9 March 2000 and Director since 12 October 2000)
- (2) Orion Equities Limited (OEO) (Secretary since 2 August 2000 and Director since 4 July 2003)
- (3) Sofcom Limited (SOF) (Director since 3 July 2002 and Secretary since 23 July 2003)

Current Company Secretary of:

- (4) Alara Uranium Limited (AUQ) (since 4 April 2007)
 - (5) Bentley International Limited (BEL) (since 5 February 2004)
 - (6) Scarborough Equities Limited (SCB) (since 29 November 2004)
-

AUDITOR'S 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 12. This relates to the 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

Perth, Western Australia
29 February 2008



29 February 2008

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

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF QUESTE COMMUNICATIONS LIMITED

As lead auditor for the review of Queste Communications Limited for the half-year ended 31 December 2007, 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.

BG McVeigh
Director

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

INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	Consolidated Entity		Company	
		31 Dec 07 \$	31 Dec 06 \$	31 Dec 07 \$	31 Dec 06 \$
Revenue from continuing operations	2	450,968	443,557	267,883	349,562
Other income	2	3,771,350	9,046,191	47,447	741,357
- Income from olive grove operations	2	1,022,800	-	-	-
Share of Associate entities' profits/(loss)	2	(852,796)	823,229	-	-
Cost of investments sold	2	(2,744,062)	(5,581,137)	(49,779)	(680,357)
Cost of olive grove operations	2	(942,657)	(268,357)	-	-
Occupancy expenses	2	(49,473)	(52,659)	(9,637)	(12,697)
Finance expenses	2	(3,346)	(2,881)	(955)	(1,073)
Borrowing costs	2	(48)	(46)	(2)	(46)
Corporate expenses	2	(50,134)	(55,215)	(23,599)	(35,954)
Administration expenses					
- personnel	2	(445,226)	(388,948)	(136,317)	(146,409)
- others	2	(226,122)	(211,817)	(29,575)	(9,268)
Profit/(Loss) before income tax expense		(68,746)	3,751,917	65,466	205,115
Income tax benefit/ (expense)		644,257	(1,768,916)	-	(7,922)
Profit from continuing operations		575,511	1,983,001	65,466	197,193
Profit from discontinued operations	3	-	3,537,341	-	-
		575,511	5,520,342	65,466	197,193
Net profit/(loss) attributable to minority interests		(168,924)	(2,621,992)	-	-
Net profit attributable to members of the company		406,587	2,898,350	65,466	197,193
Dividends per share	4	0.075	0.05	0.075	0.05
Earnings per share					
Basic earnings (cents per share)	5	1.38	9.86	0.22	0.67
Diluted earnings (cents per share)	5	0.84	5.99	0.14	0.41

The accompanying notes form part of these financial statements

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	Consolidated Entity		Company	
		31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	4,006,205	4,774,405	3,167,220	3,154,207
Trade and other receivables		93,707	196,921	19,804	62,542
Financial assets at fair value	7	20,316,123	21,088,044	171,649	152,390
Inventory		-	646,864	-	-
Other		94	-	-	-
TOTAL CURRENT ASSETS		24,416,129	26,706,234	3,358,673	3,369,139
NON CURRENT ASSETS					
Trade and other receivables		32,823	32,823	-	-
Inventory		3,821,038	3,821,038	-	-
Available for sale asset	8	-	-	11,211,147	11,596,262
Investments in Associate entities (equity accounted)	9	11,041,863	11,639,534	-	-
Property, plant and equipment		2,107,949	2,142,427	20,587	22,032
Olive trees		300,000	300,000	-	-
Resource projects		815,170	-	-	-
Intangibles		250,000	250,000	-	-
TOTAL NON CURRENT ASSETS		18,368,843	18,185,822	11,231,734	11,618,294
TOTAL ASSETS		42,784,972	44,892,056	14,590,407	14,987,433
CURRENT LIABILITIES					
Trade and other payables		590,820	1,807,112	148,264	152,130
Current tax liabilities		344,724	726,615	-	-
TOTAL CURRENT LIABILITIES		935,544	2,533,727	148,264	152,130
NON CURRENT LIABILITIES					
Deferred tax liabilities		3,655,641	4,481,600	2,521,040	2,636,575
TOTAL NON CURRENT LIABILITIES		3,655,641	4,481,600	2,521,040	2,636,575
TOTAL LIABILITIES		4,591,185	7,015,327	2,669,304	2,788,705
NET ASSETS		38,193,787	37,876,729	11,921,103	12,198,728
EQUITY					
Contributed equity		6,087,927	6,087,927	6,087,927	6,087,927
Reserves		2,138,012	2,138,012	7,990,979	8,260,558
Retained earnings /(Accumulated losses)		11,794,621	12,076,757	(2,157,803)	(2,149,757)
Parent interest		20,020,560	20,302,696	11,921,103	12,198,728
Minority interest		18,173,227	17,574,033	-	-
TOTAL EQUITY		38,193,787	37,876,729	11,921,103	12,198,728

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2007

Consolidated Entity	Contributed Equity	Reserves	Retained Earnings	Minority Interest	Total
	\$	\$	\$	\$	\$
At 1 July 2006	6,087,927	2,138,012	7,247,580	13,200,456	28,673,975
Profit attributable to members of the Company	-	-	2,898,350	-	2,898,350
Profit attributable to minority interest	-	-	-	2,621,992	2,621,992
Total income and expense recognised for the period	-	-	2,898,350	2,621,992	5,520,342
Dividend paid	-	-	(424,712)	-	(424,712)
Movement in minority interest	-	-	-	(826)	(826)
At 31 December 2006	6,087,927	2,138,012	9,721,218	15,821,622	33,768,779
At 1 July 2007	6,087,927	2,138,012	12,076,757	17,574,033	37,876,729
Profit attributable to members of the Company	-	-	406,587	-	406,587
Profit attributable to minority interest	-	-	-	168,924	168,924
Total income and expense recognised for the period	-	-	406,587	168,924	575,511
Dividend paid	-	-	(258,638)	-	(258,638)
Movement in minority interest	-	-	(430,085)	430,270	185
At 31 December 2007	6,087,927	2,138,012	11,794,621	18,173,227	38,193,787

Company	Contributed Equity	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
At 1 July 2006	6,087,927	4,546,331	(2,107,492)	8,526,766
Changes in fair value of available for sale assets (net of tax)	-	2,785,671	-	2,785,671
Net income directly recognised in equity	-	2,785,671	-	2,785,671
Profit for the period	-	-	197,193	197,193
Total income and expense recognised for the period	-	2,785,671	197,193	2,982,864
Dividend paid	-	-	(147,024)	(147,024)
At 31 December 2006	6,087,927	7,332,002	(2,057,323)	11,362,606
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)	-	(269,579)	-	(269,579)
Net income directly recognised in equity	-	(269,579)	-	(269,579)
Profit for the period	-	-	65,466	65,466
Total income and expense recognised for the year	-	(269,579)	65,466	(204,113)
Dividend paid	-	-	(73,512)	(73,512)
At 31 December 2007	6,087,927	7,990,979	(2,157,803)	11,921,103

The accompanying notes form part of these financial statements

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	Consolidated Entity		Company	
		31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		1,023,800	55,860	1,000	1,700
Payments to suppliers and employees		(1,383,701)	(606,318)	(141,147)	(56,312)
Payments for exploration and evaluation		(828,474)	(79,988)	-	-
Sale proceeds from trading portfolio		4,222,014	7,102,496	-	-
Payments for trading portfolio		(3,077,474)	(3,349,861)	-	-
Proceeds from portfolio options		-	40,400	-	-
Dividends received		55,012	89,821	171,163	256,744
Income tax paid		(563,593)	(647,348)	-	-
Interest received		119,913	119,933	88,060	92,818
Interest paid		(48)	(46)	(2)	(46)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(432,551)	2,724,949	119,074	294,904
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(45,060)	(12,421)	(597)	(812)
Proceeds from sale of plant and equipment		-	889	-	889
Payments for inventory		-	(160,597)	-	-
Payments for investment securities		(92,862)	(380,656)	(92,862)	(374,000)
Proceeds from sale of investment securities		77,910	332,929	77,910	332,929
Loan to other parties		(17,000)	-	(17,000)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(77,012)	(219,856)	(32,549)	(40,994)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(258,637)	(424,713)	(73,512)	(147,025)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(258,637)	(424,713)	(73,512)	(147,025)
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		(768,200)	2,080,380	13,013	106,885
Add opening cash and cash equivalents at beginning of half year		4,774,405	4,264,218	3,154,207	3,161,560
NET CASH AND CASH EQUIVALENTS AT END OF HALF YEAR	6	4,006,205	6,344,598	3,167,220	3,268,445

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is 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'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and the Company's ASX announcements released from 1 July 2007 to the date of this report..

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the financial year ended 30 June 2007.

2. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period includes the following items of revenue and expenses below. The comparatives for the Consolidated Entity include the revenue and expenses of discontinued operations of Hume Mining NL, formerly a subsidiary of Orion Equities Limited (refer to Note 3).

	Note	Consolidated Entity		Company	
		31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
		\$	\$	\$	\$
(a) Revenue from continuing operations					
Dividend received		331,055	323,624	179,823	256,744
Interest received - other		119,913	119,933	88,060	92,818
		450,968	443,557	267,883	349,562
Other income					
Proceeds from sale of securities					
- investments portfolio		77,910	332,929	77,910	332,929
- trading portfolio		4,222,014	6,627,465	-	-
- options portfolio		-	40,400	-	-
Realised gain on fair value of investments		-	368,018	-	368,018
Unrealised gains/(loss) on					
fair value of investments	3	(529,574)	6,685,440	(31,463)	38,710
Income from olive grove operations		1,022,800	-	-	-
Other		1,000	55,860	1,000	1,700
Other income		4,794,150	14,110,112	47,447	741,357
Share of Associate entities' profits/(loss)		(852,796)	823,229	-	-
		4,392,322	15,376,898	315,330	1,090,919

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

2. PROFIT/(LOSS) FOR THE PERIOD (continued)

	Consolidated Entity		Company	
	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
	\$	\$	\$	\$
(b) Expenses				
Cost of olive grove operations	942,657	268,357	-	-
Cost of securities sold				
- non-current investments portfolio	49,000	678,867	49,000	678,867
- trading portfolio	2,666,361	4,863,192	-	-
- brokerage cost	28,701	39,078	779	1,490
Operating expenses				
Occupancy expenses	49,473	52,659	9,637	12,697
Finance expenses	3,346	2,967	955	1,073
Borrowing costs - interest paid	48	46	2	46
Corporate expenses				
Consultancy	5,057	16,366	2,164	4,296
Professional fees	10,177	(13,789)	-	-
Other corporate expenses	34,900	54,128	21,435	31,658
Administration expenses				
Depreciation	79,538	7,468	2,042	2,441
Personnel expenses - other	440,878	330,429	136,317	127,400
Employee entitlements	4,348	58,519	-	19,009
Investment costs	-	29,157	-	-
Other administrative expenses	133,095	102,476	27,533	6,827
Loss on dilution	185	-	-	-
Loss from decrease in control of subsidiary after share issue by subsidiary	-	765	-	-
Exploration and evaluation expenses	13,304	79,988	-	-
	<u>4,461,068</u>	<u>6,570,673</u>	<u>249,864</u>	<u>885,804</u>

(c) Sale of Assets

Sale of assets in the ordinary course of business have given rise to the following net gains and losses:

Net gains / (losses):

- non-current investments portfolio	28,910	22,080	28,910	22,080
- trading portfolio	1,555,653	1,764,273	-	-
- options portfolio	-	40,400	-	-
	<u>1,584,563</u>	<u>1,826,753</u>	<u>28,910</u>	<u>22,080</u>

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

3. DISCONTINUED OPERATIONS

On 18 May 2007, controlled entity Orion Equities Limited (OEQ) disposed of its uranium mining interests via the sale of its subsidiary, Hume Mining NL in consideration for the issue of 6,250,000 ordinary shares in Alara. Alara completed its initial public offering of \$10 million at \$0.25 per share and commenced trading (ASX Code: AUQ) on ASX on 24 May 2007. Financial information relating to the discontinued operations of Hume from 1 July 2006 to 31 December 2006 is set out below.

	Consolidated Entity		Company	
	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
	\$	\$	\$	\$
Financial information relating to the discontinued operation, which has been incorporated into the Income Statement, is as follows:				
Revenue	-	5,063,921	-	-
Expenses	-	(9,613)	-	-
Loss before income tax	-	5,054,308	-	-
Income tax expense	-	(1,516,967)	-	-
Profit after income tax	-	3,537,341	-	-

The carrying amounts of assets and liabilities of the operation at the date of cessation were:

Total assets	-	8,279,624	-	-
Total liabilities	-	(2,713,981)	-	-
Net asset	-	5,565,643	-	-

The net cash flows of the business, which have been incorporated into the Cash Flows Statement, are as follows:

Net cash outflow from operating activities	-	(9,200)	-	-
Net cash inflow from investing activities	-	173,400	-	-
Net increase in cash from businesses	-	164,200	-	-

4. DIVIDENDS

	Date paid	Consolidated Entity		Company	
		31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
		\$	\$	\$	\$
Declared and paid during the year					
<u>Dividends on ordinary shares</u>					
by QUE - 0.5 cents per share fully franked	29-Sep-06	-	147,024	-	147,024
by OEQ - 3 cents per share fully franked	19-Oct-06	-	277,688	-	-
by QUE - 0.25 cent per share fully franked	21-Sep-07	73,512	-	73,512	-
by OEQ - 2 cents per share fully franked	21-Sep-07	185,126	-	-	-
		258,638	424,712	73,512	147,024

Dividends declared post balance date

	Date paid				
<u>Dividends on ordinary shares</u>					
by QUE - 0.5 cent per share fully franked	15-Mar-07	-	147,024	-	147,024
by OEQ - 1.5 cents per share fully franked	15-Mar-07	-	267,216	-	-
by OEQ - 1.5 cents per share fully franked		267,216	-	-	-

(record date will be 22 March 2008 with payment to be effected on or about 29 March 2008)

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

5. EARNINGS PER SHARE	Consolidated Entity		Company	
	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
Basic earnings per share (cents)	1.4	9.9	0.2	0.7
Diluted earnings per share (cents)	0.8	6.0	0.1	0.4

(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:

Net Profit (\$)	406,587	2,898,350	65,466	197,193
Weighted average number of ordinary shares	29,404,879	29,404,879	29,404,879	29,404,879

- (i) The Company's partly paid shares, to the extent that they have been paid (one cent per share), have been included in the determination of the basic earnings per share.

The Company's options and partly paid shares, to the extent of the balance of the call (19 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 option will convert to one ordinary share and 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:

	Consolidated Entity		Company	
	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
Net Profit (\$)	406,587	2,898,350	65,466	197,193
Weighted average number of ordinary shares (i)	48,404,879	48,404,879	48,404,879	48,404,879

- (i) The weighted average number of ordinary shares and potential ordinary shares used in calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	31 Dec 07	31 Dec 06
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	29,404,879	29,404,879
Portion of partly-paid ordinary shares that remain unpaid	19,000,000	19,000,000
Weighted average number of ordinary shares used in the calculation of diluted EPS	48,404,879	48,404,879

6. CASH AND CASH EQUIVALENTS

	Consolidated Entity			Company		
	31 Dec 07	30 Jun 07	31 Dec 06	31 Dec 07	30 Jun 07	31 Dec 06
	\$	\$	\$	\$	\$	\$
Cash at bank	1,180,662	3,754,355	3,336,680	341,677	3,128,664	260,527
Term deposit	2,825,543	25,543	25,070	2,825,543	25,543	25,070
Bank Bills	-	994,507	2,982,848	-	-	2,982,848
	4,006,205	4,774,405	6,344,598	3,167,220	3,154,207	3,268,445

The effective interest rate on short term deposits and bank bills was 7.2% (2007: 6.1%); these deposits have an average maturity of a month.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

7. FINANCIAL ASSETS AT FAIR VALUE

	Consolidated Entity		Company	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
	\$	\$	\$	\$
Investments in listed companies comprise:				
Listed investments at fair value	14,066,889	14,676,537	171,649	152,390
Listed investments (suspended from ASX) - at cost	12,304	12,304	12,304	12,304
Add: Directors' valuation	(12,304)	(12,304)	(12,304)	(12,304)
	-	-	-	-
Unlisted options in listed corporations at cost	10,000	10,000	-	-
Add: net change in fair value	6,239,234	6,401,507	-	-
	6,249,234	6,411,507	-	-
	20,316,123	21,088,044	171,649	152,390

8. AVAILABLE FOR SALE ASSET

Shares in controlled entities - at cost	-	-	2,849,766	2,849,766
Net change in fair value	-	-	8,361,381	8,746,496
	-	-	11,211,147	11,596,262
Market value of listed securities	-	-	11,211,147	11,596,262

(a) Investment in Controlled Entities

	Ownership Interest	
	31 Dec 07	30 Jun 07
Orion Equities Limited (A.C.N. 000 742 843) (OEO)	48.04%	48.04%

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Carrying Amount			
		Ownership Interest		31 Dec 07	30 Jun 07
		31 Dec 07	30 Jun 07	\$	\$
Bentley International Limited (BEL)	Investments	28.80%	28.38%	4,553,560	4,626,964
Scarborough Equities Limited (SCB)	Investments	28.47%	28.22%	6,488,303	7,012,570
				11,041,863	11,639,534

BEL and SCB are associate entities of OEO. On 28 September 2007, OEO received 311,094 shares in BEL for \$122,760 and 144,094 shares in SCB for \$142,364 pursuant to the Company's participation under the respective BEL and SCB Dividend Reinvestment Plans.

	31 Dec 07	30 Jun 07
	\$	\$
Movement in Investments in Associates		
Shares in listed Associate entities brought forward	11,639,535	9,726,370
Share of profit/(loss) before income tax expense	(554,831)	2,577,652
Share of income tax expense	(42,841)	(426,992)
Dividends received	(255,124)	(481,705)
Acquisition of shares	255,124	244,210
Carrying amount at the end of the financial period	11,041,863	11,639,535

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Fair value of listed investments in associates

Bentley International Limited	4,345,477	4,226,113
Scarborough Equities Limited	5,675,841	5,316,972
	<u>10,021,318</u>	<u>9,543,085</u>

Net tangible asset value of listed investments in associates

Bentley International Limited	5,652,596	5,414,913
Scarborough Equities Limited	6,415,949	5,272,310
	<u>12,068,545</u>	<u>10,687,223</u>

Share of Associates' profits/(loss)

Profit/(Loss) before income tax	(554,831)	1,869,980
Income tax expense	(42,841)	(380,427)
Profit/(Loss) after income tax	<u>(597,672)</u>	<u>1,489,553</u>

Summarised Financial Position of Associates

	Group share of:			
	Bentley International Limited		Scarborough Equities Limited	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
	\$	\$	\$	\$
Current assets	5,690,659	5,835,090	864,308	2,130,829
Non current assets	46,171	1,749	6,101,076	5,504,145
Total assets	<u>5,736,830</u>	<u>5,836,839</u>	<u>6,965,384</u>	<u>7,634,974</u>
Current liabilities	(39,071)	(131,830)	(33,906)	(42,064)
Non current liabilities	(44,591)	-	(515,453)	(668,938)
Total liabilities	<u>(83,662)</u>	<u>(131,830)</u>	<u>(549,359)</u>	<u>(711,002)</u>
Net assets	<u>5,653,168</u>	<u>5,705,009</u>	<u>6,416,025</u>	<u>6,923,972</u>
Revenues	54,057	995,411	443,544	2,745,757
Profit/(loss) after income tax of associates	<u>(73,404)</u>	<u>382,154</u>	<u>(524,267)</u>	<u>1,768,506</u>

Scarborough Equities Limited and Bentley International Limited - Lease Commitments

SCB and BEL has the same lease commitments disclosed in note 12(a)

10. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period.

	Consolidated Entity		Company	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
(a) Transactions with related parties				
<i>Dividends revenue</i>	\$	\$	\$	\$
Orion Equities Limited (OEO)	171,162	385,116	171,162	385,116
(b) Outstanding balances				
<i>Associates of Orion Equities Limited</i>				
Scarborough Equities Limited	-	37,124	-	37,124

The Company owns 48% of the ordinary shares in the OEO. BEL and SCB are associate entities of OEO. During the financial period, there were transactions between the Company, OEO, BEL and SCB, pursuant to shared office and administration expense arrangements on a cost recovery basis. Interest is not charged on such outstanding amounts.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

11. CONSOLIDATED SEGMENT REPORTING

The Consolidated entity operates predominantly within Australia in the investments, olive grove operations and resources sectors. The Consolidated entity has resource project interests in Indonesia.

BUSINESS SEGMENT

Segment Revenues & Results	Segment revenue		Other Income		Segment result	
	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06	31 Dec 07	31 Dec 06
	\$	\$	\$	\$	\$	\$
Investments	331,055	323,624	3,770,350	14,054,252	1,357,158	8,819,157
Resources	-	-	-	-	(13,304)	(79,988)
Olive grove operations	-	-	1,022,800	-	5,899	(268,357)
Share of associates' profit/(loss)	-	-	(852,796)	823,229	(852,796)	823,229
Unallocated	119,913	119,933	1,000	55,860	(565,703)	(487,816)
Total segment revenue	450,968	443,557	3,941,354	14,933,341		
Profit/(loss) before income tax					(68,746)	8,806,225
Income tax benefit/(expense)					644,257	(3,285,883)
Profit after income tax					575,511	5,520,342

Segment Assets & Liabilities	Segment Assets		Segment liabilities	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
	\$	\$	\$	\$
Investments	35,179,024	36,548,616	(3,655,641)	(5,197,542)
Resources	815,170	-	-	-
Olive grove operations	2,630,814	3,666,848	(130,844)	(651,549)
Unallocated	4,159,964	4,676,592	(804,700)	(1,166,236)
	42,784,972	44,892,056	(4,591,185)	(7,015,327)

Other	Investments		Resources		Olive grove operations	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
	\$	\$	\$	\$	\$	\$
Acquisition of segment assets	3,170,336	5,935,246	815,170	-	43,529	2,707,989
Other non-cash expenses						
- Unrealised gains/(losses) on securities	(529,574)	9,006,149	-	-	-	-

GEOGRAPHICAL SEGMENT	Acquisitions of segment assets	Segment revenue	Other Income	Segment results	Segment Assets	Segment Liabilities
	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07	31 Dec 07
	\$	\$	\$	\$	\$	\$
Australia	3,213,865	450,968	3,941,354	82,050	41,969,802	(4,591,185)
Indonesia	815,170	-	-	-	815,170	-
Pakistan	-	-	-	(13,304)	-	-
	4,029,035	450,968	3,941,354	68,746	42,784,972	(4,591,185)

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

12. COMMITMENTS

	Consolidated Entity		Company	
	31 Dec 07	30 Jun 07	31 Dec 07	30 Jun 07
(a) Lease Commitments	\$	\$	\$	\$
Non-cancellable operating lease commitments:				
Not longer than one year	55,534	49,920	27,767	24,960
Between 12 months and 5 years	251,324	199,680	125,662	99,840
Greater than 5 years	34,572	99,840	17,286	24,960
	<u>341,430</u>	<u>349,440</u>	<u>170,715</u>	<u>149,760</u>

The lease commitment is the Company and Orion Equities Limited's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoing (exclusive of GST). The lease is for a 7 year term commencing 30 June 2006 and expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

13. CONTINGENT LIABILITIES AND ASSETS

(a) Directors' Deeds

The Company and Orion Equities Limited have entered into deeds of indemnity with each of their Directors indemnifying them against liability incurred in discharging their duties as directors/officers. At the end of the financial year, 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.

The Company does not have any other material contingent assets or liabilities at Balance Date.

Orion Equities Limited and controlled entities

(b) Cooperation Agreement - Berau Coal Project (East Kalimantan, Indonesia)

On 27 June 2007, Orion Indo Operations Pty Ltd (OIO) and its Indonesian subsidiary PT Orion Indo Mining (PTOIM) reached agreement with Strike Operations Pty Ltd (SOPL) and its Indonesian subsidiary PT Indo Batubara (PTIB) for PTIB to assign a 70% interest in the Berau Coal Project to PTOIM; PTOIM has agreed to assume the obligations (effective from 19 June 2007) under an original cooperation agreement with the vendor, PT Kaltim Jaya Bara (KJB); PTIB's 30% interest is free-carried until a decision to mine is made by PTOIM.

By the original cooperation agreement dated 12 April 2007 between SOPL, PTIB and KJB, PTIB had acquired the right to exclusively conduct general survey activities, explore for, exploit, mine and sell coal and methane gas and other minerals in the concession area of 5,000 hectares located approximately 40 kilometres south-west of Tanjungredeb (Berau) and approximately 350 kilometres north of Balikpapan (the capital city of Kalimantan).

Under the terms of the original cooperation agreement, PTOIM has the following future payment and royalty obligations to KJB:

- (i) Two remaining staged cash payments totalling US\$0.30 million over a 12 month period; and
- (ii) Royalties of between US\$1.00 to \$4.00 per dry metric tonne of coal mined and sold from the concession area, depending on the calorific value of the coal (ranging from 5,000 to 6,000 KCal and above) and the waste to ore ratio incurred in mining operations.

If PTIB elects not to contribute to expenditure after a decision to mine is made by PTOIM, its interest in the project shall be diluted on a pro-rata basis. If PTIB's interest is diluted to below 10%, PTIB's interest shall be transferred to PTOIM in consideration for a royalty to PTIB of 7.5% of net profits derived from coal resources produced and sold.

PTOIM (as assignee) is entitled to terminate the original cooperation agreement with KJB at any time and is only liable for the staged payments due and payable as at the date of termination.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2007

13. CONTINGENT LIABILITIES AND ASSETS (continued)

(c) Royalty Owed To Central Exchange Mining Ltd

By an agreement entered into between Hume Mining NL (Hume), Strike Resources Limited (Strike), Alara Operations Pty Ltd (then known as Strike Uranium Pty Ltd) and Central Exchange Mining Ltd (CXML) (a wholly owned subsidiary of Orion Equities Limited) dated 9 February 2007 for the assignment by Hume of a 2% royalty entitlement (owed to Hume by Strike under a tenement acquisition agreement between Hume and Strike dated 15 September 2005 (as amended)) to CXML. Under the above agreements, CXML is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) arising from any commercial exploitation of any minerals from the tenements the subject of the abovementioned 15 September 2005 Agreement from Alara Uranium Limited (Alara) (the parent of Alara Operations Pty Ltd, the present owner of the tenements).

(d) Native Title

The Consolidated Entity's tenements in Australia may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Consolidated Entity.

14. EVENTS AFTER BALANCE SHEET DATE

The Company

- (a) As at 26 February 2008, the Company's investment in OEQ (financial assets held available for sale) was valued at \$8.13 million, representing a diminution in value of \$3.08 million since 31 December 2007. An impairment loss has not been recognised at the 31 December 2007 as OEQ's Directors believe the diminution in value is as a consequence of market conditions and does not represent a permanent impairment of financial assets.

Orion Equities Limited

- (b) OEQ will pay an interim dividend of 1.5 cent per share (100% franked) in respect of net profits derived for the half year ended 31 December 2007 and retained earnings as at 31 December 2007. The record date will be 22 March 2008 with payment to be effected on or about 29 March 2008.
- (c) As at 31 January 2008, OEQ's investment portfolio (financial assets at fair value) was valued at \$14.5 million, representing a diminution in value of \$5.7 million since 31 December 2007. An impairment loss has not been recognised at the 31 December 2007 as OEQ's Directors believe the diminution in value is as a consequence of market conditions and does not represent a permanent impairment of financial assets.

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 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2007 and of its 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 Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman

Perth, Western Australia

29 February 2008

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

We have reviewed the accompanying half-year financial report of Queste Communications Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Queste Communications Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 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 Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls



BG McVeigh

Director

Perth, Western Australia

Dated this 29th day of February 2008

INFORMATION ON SECURITIES

as at 31 December 2007

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	0.03%
1,001	-	5,000	71	225,593	0.79%
5,001	-	10,000	85	799,317	2.81%
10,001	-	100,000	137	3,807,936	13.41%
100,001	-	and over	28	23,563,782	82.96%
Total			357	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 one cent each and have an outstanding amount payable of 19 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.

INFORMATION ON SECURITIES

as at 31 December 2007

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital
1	* FAROOQ KHAN	2,399,484		
	ISLAND AUSTRALIA PTY LTD	3,668,577		
	SKIN-PLEX LABORATORIES PTY	20,000		
	THE ESSENTIAL EARTH PTY LTD	20,000		
	Sub-total		6,108,061	21.504
2	* BELL IXL INVESTMENTS LIMITED	3,174,549		
	CELLANTE SECURITIES PTY LIMITED	1,838,782		
	CLEOD PTY LTD <CELLANTE SUPER FUND A/C>	867,644		
	Sub-total		5,880,975	20.704
3	* AZHAR CHAUDHRI	10,000		
	CHI TUNG INVESTMENTS LTD	1,050,000		
	RENMUIR HOLDINGS LTD	3,068,352		
	Sub-total		4,128,352	14.534
4	* ABE ZELWER	180,500		
	MANAR NOMINEES PTY LTD	1,725,663		
	MANAR NOMINEES PTY LTD <C/- DR A ZELWER>	140,000		
	Sub-total		2,046,163	7.204
5	ANDREW GRAEME MOFFAT & ELIZABETH ANN MOFFAT		1,050,000	3.697
6	DONALD GORDON MACKENZIE & GWENNETH EDNA MACKENZIE		849,360	2.990
7	STRIKE RESOURCES LIMITED		826,950	2.911
8	AMBREEN CHAUDHRI		386,500	1.361
9	BERNE NO 132 NOMINEES PTY LTD <452130 A/C>		283,162	0.997
10	MR EDWARD JAMES STEPHEN DALLY & MRS SELINA DALLY <LEKDAL FAMILY A/C>		281,874	0.992
11	ROSANNA DE CAMPO		268,100	0.943
12	AFIA KHAN		215,000	0.756
13	AYUB KHAN		215,000	0.756
14	MICHAEL JOHN VAN RENS	20,000		
	MR JEFFREY VAN RENS	10,000		
	ALSTER PTY LTD	164,799		
	Sub-total		194,799	0.686
15	SIMON KENNETH CATO <S K CATO SUPER FUND A/C>	118,000		
	ROSEMONT ASSET PTY LTD	75,000		
	Sub-total		193,000	0.679
16	TOMATO 2 PTY LTD		185,019	0.651
17	SAMDY NOMINEES PTY LTD		150,000	0.528
18	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		136,125	0.479
19	MR EUGENE RODRIGUEZ		110,000	0.387
20	MR GREGORY JOHN MATHESON		106,592	0.375
Total			23,615,032	82.762%

* Substantial shareholders of the Company