QED Occtech Limited
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AUSTRALIAN STOCK EXCHANGE
QED000031

FACSIMILE MESSAGE

TO	:	*Australian Stock Exchange*	***FROM***	:	*RS Middlemas*
ATTN	:	*Company Announcements*	***Fax No***	:	*1300 300 021*
DATE	:	31 January 2003	***No. of Pages:***		*6 (inc cover page)*
SUBJECT	:	***Appendix 4C December Quarterly Report***			

Attached please find the December Quarterly Report from QED Occtech.

Yours sincerely

RS Middlemas
Company Secretary

Att\...

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QUARTERLY REPORT for the quarter ending 31 December 2002 QED Occtech Limited

Highlights

- The merger of QED Corporation Limited and Occtech Limited was completed on 14th October 2002. The two separate businesses have been consolidated into one operating entity. Synergistic benefits are already being realised with a cross utilisation of management and personnel, optimization of the two principle technologies to provide customers with complete waste water treatment solutions, and rationalisation of the company business development and marketing activities.

- Following the successful supply of 3 QTFS systems to Global Pig Farms in Japan in 2001, the company was awarded two contracts (value $700,000) by Global for the supply and installation of QTFS systems for the Tate and Tanaka farms. These systems have been shipped and are currently being installed with 60% of the funds for the contract already received in January. Dialogue continues with Global to supply additional QTFS plants to other members of the 87-farm co-operative.

- The company was awarded a contract by Sibu Council, Malaysia, (value $710,000) for the supply of a QTFS and biological waste water treatment system. The system was installed and commissioned in December with initial results from test work showing exemplary performance. Funds for this installation were received in January. Efforts are being concentrated to ensure additional sales in Malaysia.

- Following the supply of the 5th water treatment train at the Anaconda Murrin Murrin plant in 2001, the company was awarded a contract valued at $300,000 for the upgrade of the first two of five trains in the water supply system.

- Fabrication of the $1.3 million QTFS plant for MacArthur Farm near Lake Okeechobee in Florida, USA, commenced with plant installation scheduled for March 2003. The Company has submitted a joint proposal, with Norcon International Inc of Georgia, under the State of Florida's Public Private Partnership Program to prevent phosphorous contamination into Lake Okeechobee. The proposal seeks to extend the water treatment arrangements, as agreed for McArthur Farms, to a number of other dairy farms within the Okeechobee water shed.

- Substantial progress continues to be made on the development of CyanoFree™ the companies patented technology for the recovery of cyanide and metals from gold circuits. Successful tests with the first pilot plant were completed in December 2002 with the second pilot plant currently being manufactured.

- During the quarter a number of significant proposals for the supply of specialist waste water treatment plants were submitted and negotiations are continuing to secure those opportunities. The company is expecting positive outcomes in the near future.

Enquiries: Executive Chairman: Doug Miller
Managing Director: Ivan Bristow

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Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

QED Occtech Limited

ABN

98 057 335 672

Quarter ended ("current quarter")

31 December 2002

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from customers		1,189	1,308
1.2	Payments for	(a) staff costs	(769)	(1,133)
		(b) costs relating to projects	(614)	(632)
		(c) research and development	(156)	(205)
		(d) leased assets	(24)	(50)
		(e) other working capital	(777)	(981)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		21	80
1.5	Interest and other costs of finance paid		(23)	(29)
1.6	Income taxes paid			
1.7	Other (provide details if material)			
	Net operating cash flows		(1,153)	(1,642)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)	**(1,153)**	**(1,642)**
	Cash flows related to investing activities		
1.9	Pay for acquisition of:(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(216)	(458)
	(e) other non-current assets		
1.10	Proceeds from disposal :(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities	-	(400)
1.12	Loans repaid by other entities		
1.13	Occtech Limited opening cash position	(667)	(667)
	Net investing cash flows	(883)	(1,525)
1.14	**Total operating and investing cash flows**	(2,036)	(3,167)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options (net of costs)	(99)	(130)
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	(99)	(130)
	Net increase (decrease) in cash held	(2,135)	(3,297)
1.21	Cash at beginning of quarter/year to date	2,922	4,084
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	787	787

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	96
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 14 October 2002, QED Corporation Limited completed the merger with Occtech Limited and changed its name to QED Occtech Limited. This led to the issuing of 60,000,000 new shares to former Occtech Limited shareholders, with Occtech Limited becoming a wholly owned subsidiary on this date. There was no cash involved in this transaction apart from the costs of the issue of shares, and QED Occtech assumed an overdraft of $667,000 included above under Item 1.13. QED Occtech Limited also acquired all the assets and liabilities of Occtech Limited. During the period, almost $500k has been utilized in reducing creditor and other liability balances, and coupled with the Occtech Limited overdraft, the negative impact on the group's cash position has been approx. $1.2 million. This investment has resulted in a significantly enhanced product base, a far larger client base, particularly in Australia, as well as a complete waste water treatment and reuse capability. The commercial benefits of the enhanced capability are expected to be realised in the next number of months.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	1,100	713
3.2	Credit standby arrangements	NIL	NIL

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	1,500	2,922
4.2 Deposits at call	-	-
4.3 Bank overdraft	(713)	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	787	2,922

Acquisitions and disposals of business entities

(nb. Purchase of Occtech Limited was completed during October 2002)

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity	Occtech Limited	N/A
5.2 Place of incorporation or registration	Western Australia	
5.3 Consideration for acquisition or disposal	60,000,000 ordinary shares 1,962 Class 'A' convertible Preference shares 1,962 Class 'B' convertible Preference Shares	
5.4 Total net assets	$1,684,686	
5.5 Nature of business	Waste Fluid Treatment	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /does not* (delete one) give a true and fair view of the matters disclosed.

Sign here: .... Date: 30/1/03
(~~Director~~/Company secretary)

Print name: RS MIDDLEMAS