QED Occtech
Limited
ABN 98 057 335 672

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Highlights

- Waste water treatment operations continued at the company owned plant at PB Foods in Balcatta, WA. The plant treats up to 1.2 mega liters of waste water a day and is now generating a positive cashflow for the Company.

- The first of the two waste water treatment plant sales to Global Pig Farms in Japan, was installed in December, with the second plant to be installed in February 2004. This brings the total number of systems supplied to Global Pig farms to 7, since the supply of the first system two years ago.

- The company completed the installation and commissioning of a specialized waste water recovery plant for ABMT Textiles in Melton Victoria. The plant which recovers water for recycle in the plant as well as other components for reuse is a first for the industry.

- The company is awaiting the outcome of a number of large waste water treatment projects using the company's patented QTFS technology in targeted markets, but in particular in Florida and Texas USA.

- During the period the company made a Share Placement and issued a Share Purchase Plan to shareholders, raising some $1,339,000 after costs. Following a number of staff reductions and cost saving initiatives, it is anticipated these funds will be sufficient to allow the Company to return a positive cash flow in the future.

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Date of Release: 30 January 2004

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	Quarter ended ("current quarter")
98 057 335 672	31 December 2003

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		1,298	2,831
1.2	Payments for	(a) staff costs	(733)	(1,371)
		(b) costs relating to projects	(1,171)	(1,934)
		(c) research and development	(24)	(42)
		(d) leased assets	(16)	(39)
		(e) other working capital	(137)	(368)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		8	14
1.5	Interest and other costs of finance paid		(7)	(12)
1.6	Income taxes paid			
1.7	Other (provide details if material)			
	Net operating cash flows		(782)	(921)

		Current quarter $A'000	Year to date (6 Months) $A'000
1.8	Net operating cash flows (carried forward)	**(782)**	**(921)**
	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	(177)	(800)
	(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	112	112
	(e) other non-current assets		-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(65)	(688)
1.14	**Total operating and investing cash flows**	(847)	(1,609)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options (net of costs)	1,330	1,330
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	(119)	(119)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	1,211	1,211
	Net increase (decrease) in cash held	364	(398)
1.21	Cash at beginning of quarter/year to date	438	1,200
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	802	802

+ 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	123
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

N/A

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	893	0
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	802	760
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	(322)
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	802	438

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

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.

Date: 30 January 2004

RS Middlemas
Company secretary