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")

30 September 2004

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (3 Months) $A'000
1.1	Receipts from customers		357	357
1.2	Payments for	(a) staff costs	(68)	(68)
		(b) costs relating to projects	(353)	(353)
		(c) research and development	-	-
		(d) leased assets	-	-
		(e) other working capital	(123)	(123)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		1	1
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net operating cash flows		(186)	(186)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (3 Months) $A'000
1.8	Net operating cash flows (carried forward)	**(186)**	**(186)**
	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		
	(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		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	-	-
1.14	**Total operating and investing cash flows**	**(186)**	**(186)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options (net of costs)		
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	-	-
	Net increase (decrease) in cash held	**(186)**	**(186)**
1.21	Cash at beginning of quarter/year to date	231	231
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**45**	**45**

+ 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	6
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

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 18 October 2004, shareholders approved a Corporate restructuring proposal, which effectively sold the operating subsidiary Occtech Limited ("Occtech") to the Executive Directors, in exchange for the cancellation of 100,848,637 ordinary shares in QED Occtech Limited. As part of the agreement, Occtech assumed all operating liabilities with effect from 1 July 2004.

The majority of the cashflows above relate to the collection of debtors and the payment of creditors at 30 June 2004, and the costs of completing the restructuring transaction. QED Occtech will receive a minimum royalty of $100,000/annum or 5% of Occtech revenues from wastewater projects undertaken using the QED Occtech patented technologies (whichever is higher).

There are still some further 30 June 2004 debtors outstanding for collection, and these together with the Royalty receipts, should be sufficient to support the Group's reduced activities into the foreseeable future, while it explores other technology or related investments.

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	NIL	NIL
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	45	231
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	45	231

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.

Ross Middlemas

RS Middlemas
Company secretary

Date: 28 October 2004

+ See chapter 19 for defined terms.