

Appendix 4C

Quarterly Report

for entities admitted on the basis of commitments

Name of entity

QUESTE COMMUNICATIONS LTD and controlled entities

ACN or ARBN

081 688 164

Quarter Ended

31 December 2006

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from customers

1.2 Payments for

(a) staff costs

(b) advertising and marketing

(c) research and development

(d) leased assets

(e) other working capital

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

- Professional fees

Net operating cash flows

Company		Consolidated	
Current Quarter Dec 2006 \$' 000	Year to Date 6 month \$' 000	Current Quarter Dec 2006 \$' 000	Year to Date 6 month \$' 000
-	-	-	-
(106)	(207)	(208)	(369)
-	-	-	-
-	-	-	-
-	-	-	-
108	153	(207)	(351)
257	257	43	83
61	93	83	121
-	-	-	-
-	-	(171)	(594)
-	-	-	-
320	296	(460)	(1,110)

Note:

The Company currently has a 48% interest in ASX listed investment company, Orion Equities Limited ("OEQ").

OEQ is a controlled entity of the Company under the Accounting Standards.

Therefore, the Consolidated columns in this Monthly Cash Flow Report takes into account the cash flows of the Company and its controlled entities, including OEQ

	Company		Consolidated	
	Current Quarter Dec 2006 \$' 000	Year to Date 6 month \$' 000	Current Quarter Dec 2006 \$' 000	Year to Date 6 month \$' 000
1.8 Net operating cash flows (carried forward)	320	296	(460)	(1,110)
Cash flows related to investing activities				
1.9 Payment for acquisition of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	(387)	(387)	(2,242)	(3,628)
(c) intellectual property	-	-	-	-
(d) physical non-current assets	-	-	(1)	(1)
(e) other non-current assets	-	-	-	(120)
1.10 Proceeds from disposal of:				
(a) businesses (item 5)	-	-	-	-
(b) equity investments	297	332	5,400	7,390
(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	-	18	-	18
1.13 Other (provide details if material)	-	-	-	-
(a) Net income from options	-	-	20	40
Net investing cash flows	(90)	(37)	3,177	3,699
1.14 Total operating and investing cash flows	230	259	2,717	2,589
Cash flows related to financing activities				
1.15 Proceeds from issues of shares, options, etc.	-	-	-	-
1.16 Proceeds from sale of forfeited shares	-	-	-	-
1.17 Proceeds from borrowings	-	-	-	-
1.18 Repayment of borrowings	-	-	-	-
1.19 Dividends paid	-	(147)	(280)	(427)
1.20 Other (provide details if material)	-	-	-	-
Payments in relation to share buy back	-	(1)	(73)	(74)
Net financing cash flows	-	(148)	(353)	(501)
Net increase (decrease) in cash held	230	111	2,364	2,088
1.21 Cash at beginning of month/year to date	3,045	3,164	3,993	4,269
1.22 Exchange rate adjustments to item 1.20	-	-	-	-
1.23 Cash at end of month	3,275	3,275	6,357	6,357

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 Dec 2006 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	(139)
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

- (1) \$36,146 - Salaries and fees paid by the Company to Directors;
- (2) \$103,334 - Salaries and fees paid by controlled entity, Orion Equities Limited, to its Directors.

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

None.

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

None.

Financing facilities available

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

	Amt available \$' 000	Amount used \$' 000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Company		Consolidated	
	Current Quarter \$' 000	Previous Quarter \$' 000	Current Quarter \$' 000	Previous Quarter \$' 000
4.1 Cash on hand and at bank	267	39	3,349	987
4.2 Deposits at call	25	23	25	23
4.3 Bank overdraft	-	-	-	-
4.4 Other (Bank Bills)	2,983	2,983	2,983	2,983
Total: cash at end of month (item 1.22)	3,275	3,045	6,357	3,993

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
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

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- This statement **does** give a true and fair view of the matters disclosed.

Date: **12 January 2007**

Victor Ho
Company Secretary

Notes:

The **Company** currently holds the following listed share investments:

	No Shares	% Interest	Last Closing Price	Market Value
Shares in Orion Equities Limited (OEQ)	8,558,127	48.04%	\$1.2850	\$10,997,193
Shares in Sofcom Limited (SOF)	6,255,349	14.01%	suspended	
				\$10,997,193

The above investments are regarded as liquid assets to supplement the Company's cash reserves.