



HALF YEAR REPORT

31 December 2014

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2014 ANNUAL REPORT OF THE COMPANY



ASX Code: QUE

Queste Communications Ltd
A.B.N. 58 081 688 164

PRINCIPAL & REGISTERED OFFICE:

Level 2, 23 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9777
F | (08) 9214 9701
E | info@queste.com.au
W | www.queste.com.au

SHARE REGISTRY:

Advanced Share Registry Limited
110 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156, Nedlands,
Western Australia 6909

T | (08) 9389 8033
F | (08) 9262 3723
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

Level 6, 225 Clarence Street
Sydney, New South Wales 2000
PO Box Q1736, Queen Victoria Building
New South Wales 1230

T | (02) 8096 3502

CONTENTS**CORPORATE DIRECTORY**

ASX Appendix 4D Half Year Report	2
Directors' Report	4
Auditor's Independence Declaration	12
Consolidated Statement of Profit or Loss and other Comprehensive Income	13
Consolidated Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17
Directors' Declaration	27
Auditor's Independent Review Report	28
Securities Information	30

www.queste.com.au

Visit our website for:

- **Latest News**
- **Market Announcements**
- **Financial Reports**

Register your email with us to receive latest Company announcements and releases

EMAIL US AT:
info@queste.com.au

BOARD

Farooq Khan (Chairman and Managing Director)
Victor Ho (Executive Director)
Yaqoob Khan (Non-Executive Director)

COMPANY SECRETARY

Victor Ho

PRINCIPAL & REGISTERED OFFICE

Level 2, 23 Ventnor Avenue
West Perth, Western Australia 6005

Telephone: (08) 9214 9777
Facsimile: (08) 9214 9701
Email: info@queste.com.au
Website: www.queste.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

QUE

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

Level 6, 225 Clarence Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

Email: admin@advancedshare.com.au
Website: www.advancedshare.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008
Telephone: (08) 6382 4600
Facsimile: (08) 6382 4601
Website: www.bdo.com.au

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 2014 to 31 December 2014
 Previous Corresponding Period: 1 July 2013 to 31 December 2013
 Balance Date: 31 December 2014
 Company: Queste Communications Ltd (**Company** or **QUE**)
 Consolidated Entity: Queste and controlled entities, being Orion Equities Limited (ACN 000 742 843) (**Orion** or **OEQ**) and controlled entities of Orion.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Dec 2014	Dec 2013	Change	Up/Down
Consolidated Entity	\$	\$	%	
Total revenues	266,817	528,001	50%	Down
Total expenses	(684,659)	(816,037)	16%	Down
Loss before tax	(417,842)	(288,036)	45%	Up
Income tax expense	-	-	N/A	N/A
Loss for the half year	(417,842)	(288,036)	45%	Up
Net loss attributable to non-controlling interest	(88,460)	(24,271)	265%	Up
Loss after tax attributable to owners of the Company	(329,382)	(263,765)	25%	Up
Basic and diluted loss per share (cents)	(1.12)	(0.88)	27%	Up

	Dec 2014	Jun 2014	% Change	Up/Down
Consolidated Entity				
Diluted NTA backing per share (cents)	18.0	18.9	5%	Down

BRIEF EXPLANATION OF RESULTS

The Consolidated Entity's results incorporate the results of controlled entity, ASX-listed investment company, Orion Equities Limited (**OEQ**) and controlled entities of **OEQ** (**Orion**).

At the Consolidated Entity level:

Revenues were down 50% from the previous year.

Expenses were down 16% from the previous year.

Please refer to the attached Directors' Report and Financial Report for further information on a review of the Consolidated Entity's operations and the financial position and performance of the Consolidated Entity and Company for the half year ended 31 December 2014.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2014.

APPENDIX 4D HALF YEAR REPORT

CONTROLLED ENTITIES and ASSOCIATE ENTITIES

The Consolidated Entity did not gain or cease control of any entities during the financial half year.

Orion has accounted for the following share investment at the Balance Date as investments in an Associate entity (on an equity accounting basis):

(1) 27.56% interest in ASX-listed Bentley Capital Limited (ACN 008 108 218) (**BEL**) (30 June 2014: 27.76%).

The Company also has a 2.34% direct interest in BEL (30 June 2014: 2.36%).

Accordingly, the Consolidated Entity has equity accounted for a 29.90% total interest in BEL (30 June 2014: 30.12%).

For and on behalf of the Directors,



Victor Ho
Executive Director and Company Secretary
Telephone: (08) 9214 9777

Date: 27 February 2015

Email: cosec@queste.com.au

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd (**Company** or **QUE**) and its controlled entities (the **Consolidated Entity** or **Queste**) for the financial half year ended 31 December 2014 (**Balance Date**).

Queste is a public 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.

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, Orion Equities Limited (**Orion** or **OEQ**). The Company holds 9,367,653 shares (58.93%) in Orion (30 June 2014: 9,367,653 shares (58.90%)).

OPERATING RESULTS

	Dec 2014	Dec 2013
Consolidated Entity	\$	\$
Total revenues	266,817	528,001
Total expenses	(684,659)	(816,037)
Loss before tax	(417,842)	(288,036)
Income tax expense	-	-
Loss for the half year	(417,842)	(288,036)
Loss attributable to non-controlling interest	(88,460)	(24,271)
Loss after tax attributable to members of the Company	(329,382)	(263,765)
Basic and diluted loss per share (cents)	(1.12)	(0.88)

LOSS PER SHARE

Consolidated Entity	Dec 2014	Dec 2013
Basic and diluted loss per share (cents)	(1.12)	(0.88)
Weighted average number of fully paid ordinary shares in the Company outstanding during the half year used in the calculation of basic loss per share	29,502,441	29,927,379

The Company's 9,000,000 partly paid ordinary shares, to the extent that they have been paid (1.5225 cent per share), have been included in the determination of the basic loss per share.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2014.

DIRECTORS' REPORT

FINANCIAL POSITION

Consolidated Entity	31 Dec 2014	30 Jun 2014
	\$	\$
Cash	536,551	1,169,619
Current investments - equities	1,452,829	1,172,419
Investments in Associate entity	4,141,914	4,119,072
Inventory	1,490,000	1,490,000
Receivables	58,517	175,225
Intangibles	575,437	575,437
Deferred tax assets	100,012	98,657
Other assets	1,141,075	1,163,269
Total Assets	9,496,335	9,963,698
Tax liabilities (current and deferred)	(100,012)	(98,657)
Other payables and liabilities	(234,972)	(283,117)
Net Assets	9,161,351	9,581,924
Issued capital	6,268,445	6,268,445
Reserves	3,107,758	3,106,232
Non-controlling interest	3,427,937	3,520,654
Accumulated losses	(3,642,789)	(3,313,407)
Total Equity	9,161,351	9,581,924

CAPITAL MANAGEMENT

Securities on Issue

At the Balance Date and the date of this report, the Company has the following securities on issue:

- (a) 28,817,316 listed fully paid ordinary shares (30 June 2014: 28,817,316 fully paid ordinary shares); and
- (b) 9,000,000 unlisted partly paid ordinary shares¹; each paid to 1.5225 cents with 18.4775 cents per partly paid ordinary share outstanding (representing the equivalent of 685,125 voting shares²) (30 June 2014: 9,000,000 unlisted partly paid ordinary shares).

making a total of 29,502,441 voting shares on issue (30 June 2014: 29,502,441 voting shares)

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

¹ The terms of issue of the partly paid shares are disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998 and also more recently, in the Company's [Share Buy-Back Offer Booklet](#) dated 11 December 2013 and released on ASX on 17 December 2013.

² Each partly paid share is treated for voting purposes as being a proportion of a fully paid share, equal to the proportion to which it has been paid up - 1.5225 cents per share, representing 7.61% of the \$0.20 issue price

DIRECTORS' REPORT

REVIEW OF OPERATIONS

1. Orion Equities Limited (OEQ)

1.1. Current Status of Investment in Orion

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

The Company holds 9,367,653 shares in Orion, being 58.93% of its issued ordinary share capital (30 June 2014: 9,367,653 shares (58.90%)). Orion has been recognised as a controlled entity and included as part of the Queste Consolidated Entity's results since 1 July 2002.

Queste shareholders are advised to refer to the 31 December 2014 Half Year Report, 30 June 2014 Annual Report and monthly NTA disclosures lodged by Orion for further information about the status and affairs of such company.

Information concerning Orion may be viewed from its website: www.orionequities.com.au

Orion's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "OEQ".

Sections 1.2 to 1.4 below contain information extracted from Orion's public statements.

1.2. Orion's Portfolio Details as at 31 December 2014

Asset Weighting

	% of Net Assets		
	Dec 2014	Jun 2014	Dec 2013
Australian equities	59%	56%	52%
Agribusiness ³	20%	20%	13%
Property held for development and resale	18%	17%	16%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-	-
Net cash/other assets and provisions	3%	7%	19%
Total	100%	100%	100%

Major Holdings in Securities Portfolio

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.98	35.64%	BEL	Diversified Financials
Strike Resources Limited	0.63	7.60%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.26	3.12%	N/A	Diversified
Other ASX listed securities	0.15	1.78%	Various	Various
Total	4.02	48.14%		

1.3. Orion's On-Market Share Buy-Backs

During the financial half year, Orion bought back 10,000 shares on-market at a total cost of \$2,730 and at an average buy-back cost (including brokerage) of \$0.273 per share, pursuant to on-market share buy-backs announced on 24 February 2014⁴. This buy-back expired on 30 October 2014⁵.

³ Agribusiness net assets include olive grove land, olive trees, water licence, buildings, plant and equipment and inventory (bulk and packaged oils)

⁴ Refer Orion's ASX [Appendix 3C - Announcement of Additional Buy-Back](#) dated 24 February 2014

⁵ Refer to [Final share buy-back notice](#) dated 4 November 2014

DIRECTORS' REPORT

1.4. Orion's Assets

(a) Bentley Capital Limited (ASX Code: BEL)

Bentley Capital Limited (**Bentley**) is a listed investment company with a current exposure to Australian equities.

Orion holds 27.56% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste holding 2.34% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2014: Orion held 20,513,783 shares (27.76%) and Queste held 1,740,625 shares (2.36%)).

Bentley's asset weighting as at 31 December 2014 was 92.2% Australian equities (30 June 2014: 94.5%), 2.7% intangible assets (30 June 2014: 2.7%) and 5.1% net cash/other assets (30 June 2014: 2.8%).

Bentley had net assets of \$17.84 million as at 31 December 2014 (30 June 2014: \$17.68 million) and generated an after tax net profit of \$0.79 million for the financial half year (31 December 2013: \$0.99 million net profit).

Bentley paid a 0.95 cent fully franked dividend distributed in September 2014 at a total cost of \$0.70 million (December 2013: Bentley distributed \$0.73 million via a capital return of one cent per share).

Orion and Queste received a total of \$194,881 and \$16,535 respectively from this dividend during the financial half year (6 months to 30 June 2014: \$205,138 and \$17,406 dividends respectively).

Subsequent to 31 December 2014, Bentley announced its intention to pay a fully-franked dividend of 0.55 cent per share in March 2015. Orion's and Queste's entitlement to such dividend would be \$112,826 and \$9,573 respectively.

Bentley has a long distribution track record, as illustrated below:

Rate per share	Nature	Queste's Entitlement	Orion's Entitlement	Payment Date
0.55 cent	Dividend	\$9,573	\$112,826	20 March 2015
0.95 cent	Dividend	\$16,535	\$194,881	26 September 2014
One cent	Dividend	\$17,406	\$205,138	21 March 2014
One cent	Return of capital	\$17,406	\$205,138	12 December 2013
One cent	Return of capital	\$17,406	\$205,138	18 April 2013
One cent	Return of capital	\$17,406	\$205,138	30 November 2012
One cent	Return of capital	\$17,406	\$205,138	19 April 2012
5.0 cents	Return of capital	\$87,031	\$1,025,689	14 October 2011
2.4 cents	Dividend (Special)	\$492,331	\$264,319	26 September 2011
One cent	Dividend	\$17,406	\$205,138	26 September 2011
One cent	Dividend	\$17,406	\$205,138	17 March 2011
One cent	Dividend	\$17,406	\$205,138	30 September 2010
One cent	Dividend	\$17,406	\$205,138	15 March 2010
One cent	Dividend	\$17,406	\$205,138	30 October 2009

Shareholders are advised to refer to the [31 December 2014 Half Year Report](#), [30 June 2014 Annual Report](#) and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: www.bel.com.au

Bentley's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "BEL".

DIRECTORS' REPORT

(b) Strike Resources Limited (ASX Code: SRK)

Strike Resources Limited (**Strike**) is a resources company with iron ore exploration and development projects in Peru.

Orion holds 16,690,802 shares, being 11.48% of Strike's issued ordinary share capital (30 June 2014: 16,690,802 shares and 11.48%).

Information concerning Strike may be viewed from its website: www.strikeresources.com.au

Strike's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "SRK".

(c) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (with approximately 64,500, 15 year old olive tree plantings) located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

2. Queste's Other Assets

In addition to the investment in controlled entity, Orion, Queste has:

- (a) a direct share investment in Associate entity, Bentley, being 1,740,625 shares (or 2.34% of Bentley's issued ordinary share capital) (June 2014: 1,740,625 shares and 2.36%);
- (b) other investments of \$409,012 (30 June 2014: \$254,057); and
- (c) a cash holding of \$181,951 (30 June 2014: \$567,929).

Queste will continue to look at undertaking investments in listed securities where appropriate to endeavour to achieve a return on investments beyond that afforded by the interest rates applicable on term deposits.

The Company notes that it lodges Monthly and Quarterly Cash Flow Reports on ASX, which may be viewed and downloaded from the Company's website: www.queste.com.au or the ASX website (www.asx.com.au) under ASX Code: QUE.

DIRECTORS' REPORT

DIRECTORS

Information concerning Directors in office during or since the half year:

Farooq Khan	Executive Chairman and Managing Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	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 sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	5,899,944 shares ⁶
<i>Other current directorships in listed entities</i>	(1) Executive Chairman of Bentley Capital Limited (BEL) (since 2 December 2003) (2) Executive Chairman of Orion Equities Limited (OEO) (since 23 October 2006) (3) Alternate Director to Victor Ho, who is Non-Executive Director of Strike Resources Limited (SRK) (since 20 January 2014)
<i>Former directorships in other listed entities in past 3 years</i>	(1) Alara Resources Limited (AUQ) (18 May 2007 to 31 August 2012)

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 3 April 2013; Company Secretary since 30 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 15 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	17,500 shares
<i>Other current positions held in listed entities</i>	(1) Executive Director and Company Secretary of Orion Equities Limited (OEO) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Non-Executive Director of Strike Resources Limited (SRK) (since 24 January 2014) (3) Company Secretary of Bentley Capital Limited (BEL) (since 5 February 2004) (4) Company Secretary of Alara Resources Limited (AUQ) (since 4 April 2007)
<i>Former positions in other listed entities in past 3 years</i>	None

⁶ Refer Farooq Khan's [Change of Director's Interest Notice](#) dated 20 November 2014

DIRECTORS' REPORT

Information concerning Directors in office during or since the half year:

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	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.
<i>Relevant interest in shares</i>	68,345 shares
<i>Other current directorships in listed entities</i>	Non-Executive Director of Orion Equities Limited (OEO) (since 5 November 1999).
<i>Former directorships in other listed entities in past 3 years</i>	None

EARLY ADOPTION OF ASX CORPORATE GOVERNANCE PRINCIPLES

The Company updated its Corporate Governance Statement⁷ in accordance with the early adoption of the [Corporate Governance Principles and Recommendations](#) (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the 30 June 2014 financial year, one year before the mandatory adoption date.

The Company's [2014 Corporate Governance Statement](#) (dated 24 October 2014) and [ASX Appendix 4G](#) (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <http://www.queste.com.au/corporate-governance>

AUDITORS' 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 Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

⁷ Refer market announcement dated 24 October 2014 entitled "[2014 Corporate Governance Statement and ASX Appendix 4G Key to Disclosures of Corporate Governance Principles and Recommendations](#)"

DIRECTORS' REPORT

AUDITORS' QUALIFIED CONCLUSION

A copy of BDO Audit (WA) Pty Ltd's Independent Auditor's Review Report on Queste's half year financial report is set out on pages 28 and 29. The Review Report contains a Qualified Conclusion in relation to Queste's 29.90% shareholding investment in Associate entity⁸, Bentley Capital Limited (ASX:BEL), which is accounted for under the equity method. Queste has carried the investment in BEL at \$4,141,914 as at 31 December 2014 and recognised \$234,259 as its 29.90% share of BEL's \$790,696 net profit for the half year ended 31 December 2014.

BEL's 31 December 2014 Half Year Report contains a Qualified Conclusion by its Auditor (also BDO Audit (WA) Pty Ltd) in relation to BEL's 19.98% shareholding investment in Associate entity, Molopo Energy Limited (ASX: MPO). BEL has carried its investment in MPO at \$9,611,231 as at 31 December 2014 and recognised a nil amount as its 19.98% share of MPO's net profit/loss for the half year ended 31 December 2014, as audited financial information for MPO had not been finalised by MPO and MPO was accordingly not able to provide the required financial information from which this amount could be determined and recognised within the time required for the completion of BEL's half year accounts. As such, BEL's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on BEL's half year financial report on the basis that they were unable to obtain sufficient appropriate review evidence about the carrying value of MPO and the share of the net income/loss from MPO for the half year.

As the BEL half year financial report contains a Qualified Conclusion in its Auditor's Review Report and as BEL has been accounted for by Queste as an Associate entity, Queste's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on Queste's half year financial report on the same basis.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Farooq Khan
Chairman



Victor Ho
Executive Director

27 February 2015

⁸ Associates are entities over which a consolidated entity has significant influence (but not control or joint control), generally accompanying a shareholding of between approximately 20% and 50% of the voting rights. Investments in Associates in the consolidated financial statements are accounted for using the equity method of accounting, after initially being recognised at cost. Under this method, the consolidated entity's share of the post-acquisition profits or losses of Associates are recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

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

As lead auditor for the review of Queste Communications Ltd for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Queste Communications Ltd and the entities it controlled during the period.



Brad McVeigh
Director

BDO Audit (WA) Pty Ltd

Perth, 27 February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2014

	Note	31 Dec 14 \$	31 Dec 13 \$
Revenue	3	31,959	73,127
Other			
Share of Net Profit of Associate		234,259	299,292
Net Gain on Financial Assets at Fair Value through Profit or Loss		-	65,966
Other Revenue		599	10,332
Total Revenue		266,817	448,717
Expenses			
Net Loss on Financial Assets at Fair Value through Profit or Loss	3	(750)	-
Olive Grove Operation Expenses		(38,533)	(72,235)
Land Operation Expenses		(11,065)	(7,319)
Personnel Expenses		(375,365)	(377,515)
Occupancy Expenses		(73,929)	(49,630)
Corporate Expenses		(42,620)	(36,461)
Finance Expenses		(5,036)	(1,261)
Administration Expenses		(137,361)	(139,542)
Loss Before Income Tax		(417,842)	(235,246)
Income Tax Expense		-	-
Loss for the Half Year from Continuing Operations		(417,842)	(235,246)
Loss for the Half Year from Discontinued Operations	4	-	(52,790)
Loss for the Half Year		(417,842)	(288,036)
Other Comprehensive Income			
Revaluation of Assets, Net of Tax		-	-
Total Comprehensive Loss for the Half Year		(417,842)	(288,036)
Profit/(Loss) Attributable to:			
Owners of Queste Communications Ltd		(329,382)	(263,765)
Non-Controlling Interest		(88,460)	(24,271)
		(417,842)	(288,036)
Total Comprehensive Income for the Half Year is Attributable to:			
Continuing operations		(329,382)	(210,975)
Discontinuing operations	4	-	(52,790)
Owners of Queste Communications Ltd		(329,382)	(263,765)
Continuing operations		(88,460)	(24,271)
Discontinuing operations		-	-
Non-Controlling Interest		(88,460)	(24,271)
		(417,842)	(288,036)
Basic Loss per Share (cents) from continuing operations	5	(1.12)	(0.70)
Basic Loss per Share (cents) from discontinuing operations		-	(0.18)
Basic Loss per Share (cents) attributable to the ordinary equity holders of the Company		(1.12)	(0.88)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	31 Dec 14	30 Jun 14
Current Assets		\$	\$
Cash and Cash Equivalents		536,551	1,169,619
Financial Assets at Fair Value through Profit or Loss	6	1,452,829	1,172,419
Trade and Other Receivables		38,063	154,771
Other Current Assets		14,319	6,124
Total Current Assets		2,041,762	2,502,933
Non Current Assets			
Trade and Other Receivables		20,454	20,454
Property held for Development or Resale		1,490,000	1,490,000
Investment in Associate Entity	7	4,141,914	4,119,071
Property, Plant and Equipment		1,061,256	1,091,646
Olive Trees		65,500	65,500
Intangible Assets		575,437	575,437
Deferred Tax Asset		100,012	98,657
Total Non Current Assets		7,454,573	7,460,765
Total Assets		9,496,335	9,963,698
Current Liabilities			
Trade and Other Payables		145,883	165,760
Provisions		89,089	117,357
Total Current Liabilities		234,972	283,117
Non Current Liabilities			
Deferred Tax Liability		100,012	98,657
Total Non Current Liabilities		100,012	98,657
Total Liabilities		334,984	381,774
Net Assets		9,161,351	9,581,924
Equity			
Issued Capital	8	6,268,445	6,268,445
Reserves	9	3,107,758	3,106,232
Accumulated Losses		(3,642,789)	(3,313,407)
Parent Interest		5,733,414	6,061,270
Non-Controlling Interest		3,427,937	3,520,654
Total Equity		9,161,351	9,581,924

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2014

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non- Controlling Interest \$	Total \$
Balance at 1 July 2013	6,192,427	2,257,792	(1,773,141)	4,546,707	11,223,785
Loss for the Half Year	-	-	(263,765)	(24,271)	(288,036)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Loss for the Half Year	-	-	(263,765)	(24,271)	(288,036)
Transactions with Owners in their capacity as Owners:					
Transactions with Non-Controlling Interest	-	5,923	-	(232,965)	(227,042)
Balance at 31 December 2013	6,192,427	2,257,792	(2,036,906)	4,289,471	10,708,707
Balance at 1 July 2014	6,268,445	3,106,232	(3,313,407)	3,520,654	9,581,924
Loss for the Half Year	-	-	(329,382)	(88,460)	(417,842)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Loss for the Half Year	-	-	(329,382)	(88,460)	(417,842)
Transactions with Owners in their capacity as Owners:					
Transactions with Non-Controlling Interest	-	1,526	-	(4,257)	(2,731)
Balance at 31 December 2014	6,268,445	3,107,758	(3,642,789)	3,427,937	9,161,351

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2014

	Note	31 Dec 14 \$	31 Dec 13 \$
Cash Flows from Operating Activities			
Receipts from Customers		22,100	73,300
Dividends Received		214,346	111
Interest Received		6,929	19,136
Payments to Suppliers and Employees		(702,767)	(644,673)
Interest Paid		(98)	(9)
Sale of Financial Assets at Fair Value		178,077	-
Purchase of Financial Assets at Fair Value		(459,237)	-
		<hr/>	<hr/>
Net Cash Used In Continuing Operations		(740,650)	(552,135)
Net Cash (Used in)/Provided by Discontinued Operations	4	8,319	(54,781)
		<hr/>	<hr/>
Net Cash Used In Operating Activities		(732,331)	(606,916)
Cash Flows from Investing Activities			
Proceeds from Sale of Olive Oil operations	4	101,993	-
Return of Capital Received		-	222,544
Purchase of Plant and Equipment		-	(32,206)
		<hr/>	<hr/>
Net Cash Provided by/(Used in) Investing Activities		101,993	190,338
Cash Flows from Financing Activities			
Orion On-Market Share Buy Back		(2,730)	(217,636)
		<hr/>	<hr/>
Net Cash Used in Financing Activities		(2,730)	(217,636)
		<hr/>	<hr/>
Net Increase /(Decrease) in Cash Held		(633,068)	(634,214)
Cash and Cash Equivalents at Beginning of Financial Year		1,169,619	2,747,596
		<hr/>	<hr/>
Cash and Cash Equivalents at End of Financial Half Year		536,551	2,113,382

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are 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 134 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2014 to the date of this report.

Basis of Preparation

The 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 statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2014.

2. RELATED PARTY TRANSACTIONS

The Company has control of Orion Equities Limited (Orion) as it holds 58.93% (9,367,653 shares) of Orion's issued capital (30 June 2014: 58.90% and 9,367,653 shares). During the half year there were transactions between the Company, Orion and Associate Entity, Bentley Capital Limited (ASX Code: BEL), pursuant to shared office and administration expense arrangements. There were no outstanding amounts at the reporting date.

	31 Dec 14	31 Dec 13
Bentley Capital Limited	\$	\$
Dividends Received	211,416	-
Return of Capital Received	-	222,544

3. LOSS FOR THE HALF YEAR

The Consolidated Entity's Operating Loss before Income Tax includes the following items of revenue and expense:

	31 Dec 14	31 Dec 13
(a) Revenue	\$	\$
Revenue from Sale of Olive Oils	-	15,711
Rental Revenue	22,100	22,100
Dividend Revenue	2,930	111
Interest Revenue	6,929	35,205
	<u>31,959</u>	<u>73,127</u>
Other		
Share of Net Profit of Associate	234,259	299,292
Net Gain on Financial Assets at Fair Value through Profit or Loss	-	65,966
Other Revenue	599	10,332
	<u>266,817</u>	<u>448,717</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

3. LOSS FOR THE HALF YEAR (continued)	31 Dec 14	31 Dec 13
	\$	\$
(b) Expenses		
Net Loss on Financial Assets at Fair Value through Profit or Loss	750	-
Olive Grove Operations		
Impairment and Depreciation of Olive Grove Assets	25,539	32,301
Other Expenses	12,994	39,934
Land Operations		
Other Expenses	11,065	7,319
Salaries, Fees and Employee Benefits	375,365	377,515
Occupancy Expenses	73,929	49,630
Finance Expenses	5,036	1,261
Corporate Expenses		
ASX Fees	34,283	27,587
Share Registry	7,480	6,874
Other Corporate Expenses	857	2,000
Administration Expenses		
Communications	9,459	10,266
Professional Fees	8,812	37,299
Audit Fees	48,560	31,770
Legal Fees	21,840	29,563
Depreciation	4,849	3,504
Other Administration Expenses	43,841	27,140
	684,659	683,963

4. DISCONTINUED OPERATIONS

On 30 June 2014, the Consolidated Entity sold a segment of the olive oil operations as a going concern. The brand, equipment and oil inventory relating to the segment were sold for a total of \$101,993 in cash, resulting in a net loss of \$66,196.

The Operating Loss from this discontinued operations are:	31 Dec 14	31 Dec 13
	\$	\$
Revenue from Sale of Olive Oil	-	79,284
Olive Oil Operation Expenses		
Cost of Goods Sold	-	(120,258)
Impairment and Depreciation of Olive Oil Assets	-	(1,195)
Other Expenses	-	(10,621)
Loss for the Year from Discontinued Operations	-	(52,790)

The carrying amount of assets in this discontinued operations are summarised as follows:

	31 Dec 14	30 Jun 14
Current Assets		
Inventories	-	69,557
Plant and Equipment	-	23,637
Non-Current Assets		
Intangibles	-	74,996
Total Assets	-	168,190

The Cash Flows generated from the discontinued operations are as follows:

	31 Dec 14	31 Dec 13
	\$	\$
Operating Activates		
Receipts from Customers	16,260	77,546
Payments to Suppliers and Employees	(7,941)	(132,327)
Net Cash Used in Discontinued Operations	8,319	(54,781)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

5. LOSS PER SHARE

	31 Dec 14	31 Dec 13
The following represents the loss and weighted average number of shares used in the loss per share calculations:	\$	\$
Loss per share from Continuing Operations		
Loss after Income Tax from Continuing Operations	(329,382)	(210,975)
Loss after Income Tax from Discontinuing Operations	-	(52,790)
Loss after tax attributable to the ordinary equity holders of the Company	<u>(329,382)</u>	<u>(263,765)</u>
Loss per share from Discontinuing Operations		
Loss after Income Tax from Discontinuing Operations	-	<u>(52,790)</u>
	Number of shares	
Weighted Average Number of Ordinary Shares used in calculating basic loss per share	29,502,441	29,927,379
	31 Dec 14	31 Dec 13
	cents	cents
Basic Loss per Share		
From continuing operations attributable to the ordinary equity holders of the Company	<u>(1.12)</u>	<u>(0.70)</u>
From discontinued operations	-	<u>(0.18)</u>
Total basic loss per share attributable to the ordinary equity holders of the Company	<u><u>(1.12)</u></u>	<u><u>(0.88)</u></u>

Under AASB 133 Earnings per Share, potential ordinary shares such as partly paid shares will only be treated as dilutive when their conversion to ordinary shares would increase the loss per share. Diluted Loss per Share is not calculated as it does not increase the loss per share.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 14	30 Jun 14
	\$	\$
Current		
Listed securities at fair value	931,597	672,659
Unlisted managed fund at fair value	521,232	499,760
	<u>1,452,829</u>	<u>1,172,419</u>

7. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying Amount	
	31 Dec 14	30 Jun 14	31 Dec 14	30 Jun 14
Bentley Capital Limited	29.90%	30.12%	\$	\$
			<u>4,141,914</u>	<u>4,119,071</u>
Movement in Investment				
Opening Balance			4,119,071	4,307,391
Share of Net Profit/(Loss) after tax			234,259	256,768
Dividends received			(211,416)	(222,544)
Returns of Capital Received			-	(222,544)
Closing Balance			<u>4,141,914</u>	<u>4,119,071</u>
Fair Value of Listed Investment in Associate			<u>3,226,889</u>	<u>3,226,889</u>
Net Asset Value of Investment			<u>5,335,333</u>	<u>5,323,365</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

7. INVESTMENT IN ASSOCIATE ENTITY (continued)	31 Dec 14	30 Jun 14
	\$	\$
Summarised statement of profit or loss and other comprehensive income		
Revenue	2,218,191	2,091,248
Expenses	(1,427,495)	(1,298,338)
Profit/(Loss) before income tax	790,696	792,910
Income tax expense	-	3,698
Profit/(Loss) after income tax	790,696	796,608
Other comprehensive income	-	-
Total comprehensive income	790,696	796,608
Summarised statement of financial position		
Current assets	8,016,888	17,384,218
Non-current assets	10,515,073	878,452
Total assets	18,531,961	18,262,670
Current liabilities	284,207	206,914
Non-current liabilities	402,948	379,448
Total liabilities	687,155	586,362
Net Assets	17,844,806	17,676,308
Lease Commitments		
Not longer than one year	36,667	73,333

BEL's 31 December 2014 Half Year Report contains a Qualified Conclusion by its Auditor (also BDO Audit (WA) Pty Ltd) in relation to BEL's 19.98% shareholding investment in Associate entity, Molopo Energy Limited (ASX: MPO). BEL has carried its investment in MPO at \$9,611,231 as at 31 December 2014 and recognised a nil amount as its 19.98% share of MPO's net profit/loss for the half year ended 31 December 2014, as audited financial information for MPO had not been finalised by MPO and MPO was accordingly not able to provide the required financial information from which this amount could be determined and recognised within the time required for the completion of BEL's half year accounts. As such, BEL's Auditor has made a Qualified Conclusion in its Independent Auditor's Review Report on BEL's half year financial report on the basis that they were unable to obtain sufficient appropriate review evidence about the carrying value of MPO and the share of the net income/loss from MPO for the half year.

8. ISSUED CAPITAL	31 Dec 14	30 Jun 14	31 Dec 14	30 Jun 14
	Number	Number	\$	\$
Fully paid ordinary shares	28,817,316	28,817,316	6,029,170	6,029,170
Partly paid ordinary shares	9,000,000	9,000,000	239,275	239,275
			6,268,445	6,268,445
	Date of Issue	Number of shares	Issue Price	
			\$	\$
Movement in Fully Paid Ordinary Shares				
At 1 July 2013		28,404,879		5,887,927
Equal Access Share buy-back - refer (b)	05-Feb-14	(587,563)		(58,757)
Issue of shares	30-Jun-14	1,000,000	0.20	200,000
At 30 June 2014		28,817,316		6,029,170
At 1 July 2014		28,817,316		6,029,170
At 31 December 2014		28,817,316		6,029,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

8. ISSUED CAPITAL (continued)	Number of shares	Issue Price \$	\$
Movement in Partly Paid Ordinary shares			
At 1 July 2013	20,000,000		304,500
Equal Access Share buy-back - refer (b) 05-Feb-14	(10,000,000)		(50,000)
Call on Partly Paid Shares - refer (c)	(1,000,000)		(15,225)
At 30 June 2014	<u>9,000,000</u>		<u>239,275</u>
At 1 July 2014	9,000,000		239,275
At 31 December 2014	<u>9,000,000</u>		<u>239,275</u>

(a) Ordinary Shares

At any meeting, each shareholder present in person or by proxy, attorney, or representative has one vote for each fully paid ordinary share held either upon a show of hands or by a poll. Holders of partly paid ordinary shares have a fraction of a vote for each partly paid share held, with the fractional vote of each share being equivalent to the proportion of the total amount paid and payable (excluding amounts credited) that has actually been paid (not credited) for each share. Amounts paid in advance of a call are ignored when calculating proportions. The holder of a partly paid ordinary share is not entitled to vote at a meeting in respect of those shares on which calls are outstanding.

The profits of the Consolidated Entity, which the Directors may from time to time determine to distribute to shareholders by way of dividends, will be divisible amongst the shareholders in proportion to the amounts paid on the shares. An amount paid in advance of a call is not to be included as an amount paid on a share for the purposes of calculating an entitlement to dividends.

(b) Equal Access Share Buy-Back

On 21 January 2014, the Company's Off-Market Equal Access Share Buy-Back (approved by shareholders at the AGM held on 28 November 2013) (**Buy-Back**) closed with the following shares being bought-back and cancelled:

- (i) 587,563 fully paid ordinary shares were bought back for 10 cents per share at a cost of \$58,756; and
- (ii) 10,000,000 partly paid ordinary shares were bought back for 0.5 cent per share at a total cost of \$50,000, with the total cost of the Buy-Back being \$108,756.

(c) Call on Partly Paid Ordinary Shares

On 27 June 2014, there was a conversion of 1,000,000 partly paid shares into fully paid shares upon payment of a call made by the Company in relation to 100% of the outstanding balance (being \$0.184775 each or \$184,775 in total) due and payable in respect of these 1,000,000 partly paid shares.

(d) Capital Risk Management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share Buy-backs, capital reductions and the payment of dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

9. RESERVES	31 Dec 14	30 Jun 14
	\$	\$
Option Premium Reserve	<u>2,138,012</u>	<u>2,138,012</u>
Asset Revaluation Reserve		
Revaluations of Intangible Assets	325,437	325,437
Less: Deferred Tax on Revaluations	(97,631)	(97,631)
Less: Non-Controlling Interest	(93,555)	(93,638)
	<u>134,251</u>	<u>134,168</u>
Other Reserve		
Dilution movement	929,303	923,922
Less: Non-Controlling Interest	(93,808)	(89,870)
	<u>835,495</u>	<u>834,052</u>
	<u>3,107,758</u>	<u>3,106,232</u>

The movement in the Asset Revaluation Reserve relates to the revaluation of the Olive Grove land (Property, Plant and Equipment) and the Water Licence (Intangibles), as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2013.

Other Reserve relates to the gain the Company generated from increasing its shareholding interest in OEQ by 6.35% (30 June 2014: 6.32%) as a consequence of OEQ cancelling a total of 1,918,861 (30 June 2014: 1,908,861) shares bought-back pursuant to an on-market share buy-back at a cost of \$511,528 (30 June 2014: \$508,798). This reserve is also used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

10. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker". The "Chief Operating Decision Maker", who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segments being Investments and Olive Grove. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

31 Dec 14	Olive Grove	Investments	Corporate	Total
Segment Revenues	\$	\$	\$	\$
Revenue	-	25,629	6,929	32,558
Other	-	234,259	-	234,259
Total Segment Revenues	<u>-</u>	<u>259,888</u>	<u>6,929</u>	<u>266,817</u>
Personnel Expenses	2,811	-	375,365	378,176
Finance Expenses	251	-	5,166	5,417
Administration Expenses	1,156	-	103,683	104,839
Depreciation Expense	25,539	-	4,849	30,388
Other Expenses	8,776	10,133	146,930	165,839
Total Segment Profit/(Loss)	<u>(38,533)</u>	<u>249,755</u>	<u>(629,064)</u>	<u>(417,842)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

10. SEGMENT INFORMATION (continued)

	Olive Grove \$	Investments \$	Corporate \$	Total \$
Segment Assets				
Cash	9,502	-	527,049	536,551
Financial Assets	-	1,452,829	-	1,452,829
Property held for Development or Resale	-	1,490,000	-	1,490,000
Investment in Associate	-	4,141,914	-	4,141,914
Property, Plant and Equipment	1,026,430	-	34,826	1,061,256
Intangible Assets	575,437	-	-	575,437
Other Assets	63,484	-	174,864	238,348
Total Segment Assets	1,674,853	7,084,743	736,739	9,496,335
Segment Liabilities	31,717	-	303,267	334,984
31 Dec 13				
Segment Revenues				
Revenue	94,995	22,100	35,316	152,411
Other	-	365,257	10,333	375,590
Total Segment Revenues	94,995	387,357	45,649	528,001
Personnel Expenses	2,747	-	377,515	380,262
Finance Expenses	518	-	1,398	1,916
Administration Expenses	166,547	6,937	126,757	300,241
Impairment & Depreciation Expense	33,496	-	3,504	37,000
Other Expenses	1,001	-	95,617	96,618
Total Segment Loss	(109,314)	380,420	(559,142)	(288,036)
30 Jun 14				
Segment Assets				
Cash	11,488	-	1,158,131	1,169,619
Financial Assets	-	1,172,419	-	1,172,419
Property held for Development or Resale	-	1,490,000	-	1,490,000
Investment in Associate	-	4,119,071	-	4,119,071
Property, Plant and Equipment	1,051,969	-	39,677	1,091,646
Intangible Assets	575,437	-	-	575,437
Other Assets	199,788	-	145,718	345,506
Total Segment Assets	1,838,682	6,781,490	1,343,526	9,963,698
Segment Liabilities	29,213	-	352,561	381,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 Dec 14				
Financial Assets at Fair Value through Profit or Loss:				
Listed securities at fair value	931,597	-	-	931,597
Unlisted managed fund at fair value	-	521,232	-	521,232
Land at Independent Valuation	-	-	766,593	766,593
Intangible Assets	-	-	575,437	575,437
Olive Trees	-	-	65,500	65,500
Total	931,597	521,232	1,407,530	2,860,359

30 Jun 14

Financial Assets at Fair Value through Profit or Loss:				
Listed securities at fair value	672,659	-	-	672,659
Unlisted managed fund at fair value	-	499,760	-	499,760
Land at Independent Valuation	-	-	766,593	766,593
Intangible Assets	-	-	575,437	575,437
Olive Trees	-	-	65,500	65,500
Total	672,659	499,760	1,407,530	2,579,949

There have been no transfers between the levels of the fair value hierarchy during the financial year.

(b) Valuation Techniques

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

At Level 2, the land and intangible assets (water licence) and property held for development or resale were valued by an independent qualified valuer (an Associate Member of the Australian Property Institute) as at 30 June 2013 (which values have been maintained by the Directors as at 30 June 2014 and 31 December 2014). These assets have been valued based on similar assets, location and market conditions. There has been no unusual circumstances that may affect the value of the property.

The fair value of the unlisted managed fund investment is valued at the audited unit price published by the investment manager and as such this financial instrument is included in Level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(c) Level 3 Fair Value Measurements

At Level 3 the olive trees' value was assessed as at 31 December 2014 by the Directors. There has been no unusual circumstances that may affect the value of the property.

The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities. The significant unobservable input is the replacement cost of 15 year old fruiting trees and discount rate. There are no age limits to the commercial viability of an olive grove. A 10% change in the discount cost rate will increase or decrease the fair value by \$6,550.

There has been no change in the value of Level 3 assets during the year.

Changing inputs to the Level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognised in Profit or Loss, Total Assets, Total Liabilities or Total Equity.

(d) Fair Values of Other Financial Instruments

	31 Dec 14	30 Jun 14
Financial Assets	\$	\$
Cash and Cash Equivalents	536,551	1,169,619
Trade and Other Receivables	38,063	154,771
	574,614	1,324,390
Financial Liabilities		
Trade and Other Payables	(145,883)	(165,760)

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

12. COMMITMENTS

	31 Dec 14	30 Jun 14
	\$	\$
Not longer than one year	73,333	146,667

On or about 21 July 2014, the Company, OEQ and BEL entered into a new non-cancellable operating lease agreement for shared office accommodation. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST). The lease is for a one year term expiring on or about 23 July 2015, with an option to renew to 30 January 2017.

13. CONTINGENCIES

(a) Directors' Deeds

The Company has entered into Deeds of Indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as Directors/Officers of the Consolidated Entity. At the end of the financial period, 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.

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenements (EL47/1328 and PL47/1170) in Western Australia currently held by Strike Resources Limited (ASX : SRK).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2014

14. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX : BEL), has announced its intention to pay a fully-franked dividend of 0.55 cent per share in March 2015. The Company's and Orion's entitlement to such dividend would be \$9,573 and \$112,826 respectively.

No other matter or circumstance has arisen since the end of the financial year 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 years.

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:

- (1) The financial statements and notes of the Consolidated Entity are 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 2014 and of its performance for the financial half year ended on that date; and
 - (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman

27 February 2015



Victor Ho
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Queste Communications Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Queste Communications Ltd, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 Ltd, 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*, which has been given to the directors of Queste Communications Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Basis for Qualified Conclusion

Included in Queste Communications Ltd's consolidated statement of financial position as at 31 December 2014 is an investment in an associate entity, Bentley Capital Limited, which is accounted for under the equity method and carried at \$4,141,914. Queste Communications Ltd has recorded its share of the net income from Bentley Capital Limited as \$234,259 in the consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014. As disclosed in Note 7, Bentley management were unable to obtain access to the financial information and management of their investment in associate, Molopo Energy Limited, and therefore we were unable to obtain sufficient appropriate review evidence about the carrying value of the investment and the share of net income for the half-year. Consequently, we were unable to determine whether any adjustments to these amounts are necessary.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the possible effects of the matter described in the basis for qualified conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Queste Communications Ltd 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 2014 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 Audit (WA) Pty Ltd



Brad McVeigh

Director

Perth, 27 February 2015

SECURITIES INFORMATION

as at 31 January 2015

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	11	7,227	0.03%
1,001	-	5,000	49	139,553	0.48%
5,001	-	10,000	59	554,425	1.91%
10,001	-	100,000	98	2,752,340	9.55%
100,001	-	and over	24	25,367,771	88.03%
Total			241	28,817,316	100%

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares	% Voting Power *
Chi Tung Investments Ltd	9,000,000	2.32%

These 9,000,000 ordinary shares were issued at a price of 20 cents per share and have been partly paid to 1.5225 cent each and have an outstanding amount payable of 18.4775 cents per share. These shares carry *voting rights proportional to the amount paid up per share. This is equivalent to 685,125 total voting shares.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares/Voting Shares Held as at 31 Jan 2014	% Voting Power ⁶
Bell IXL Investments Limited and associates	BELL IXL INVESTMENTS LIMITED	2,599,747	25.09% ¹
	CELLANTE SECURITIES PTY LIMITED	2,053,282	
	CLEOD PTY LTD	2,748,490	
Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd	MR AZHAR CHAUDHRI	1,436,001	22.93% ²
	CHI TUNG INVESTMENTS LTD ³	2,050,000	
	RENMUIR HOLDINGS LTD	3,277,780	
Farooq Khan and associates	FAROOQ KHAN	2,231,367	19.99% ⁴
	ISLAND AUSTRALIA PTY LTD	3,668,577	
Manar Nominees Pty Ltd and Zelwar Superannuation Pty Ltd	MANAR NOMINEES PTY LTD	1,825,663	6.80% ⁵
	ZELWER SUPERANNUATION PTY LTD	180,500	

Notes:

- (1) Based on the substantial shareholding notice filed by Bell IXL Investments Limited dated [28 January 2014](#)
- (2) Based on the substantial shareholding notice filed by Azhar Chaudhri and associates dated [22 January 2014](#)
- (3) Voting shares attributable to 9,000,000 partly paid ordinary shares (issued at a price of 20 cents per share) which have been partly paid to 1.5225 cent each
- (4) Based on the Change of Interests of Substantial Holder notice filed by Farooq Khan and associates dated [20 November 2014](#)
- (5) Based on the substantial shareholding notice filed by Manar Nominees Pty Ltd dated [29 December 2003](#) (updated to reflect current percentage voting power)
- (6) Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (28,817,316) plus the equivalent voting shares associated with the partly paid shares on issue based on the amount paid up per partly paid share (685,125).
- (7) Movements of less than 1% in voting power are not required to be disclosed to ASX via an update substantial shareholding notice and accordingly, there may be variances between the shareholdings recorded in the table above and the most recent substantial shareholding notices lodged on ASX.

SECURITIES INFORMATION

as at 31 January 2015

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital	% Voting Power*
1	CLEOD PTY LTD	2,748,490			
	BELL IXL INVESTMENTS LIMITED	2,599,747			
	CELLANTE SECURITIES PTY LIMITED	2,053,282			
	Sub-total		7,401,519	25.68%	25.09%
2	MR AZHAR CHAUDHRI	1,436,001			
	CHI TUNG INVESTMENTS LTD*	2,050,000			
	RENMUIR HOLDINGS LTD	3,277,780			
	Sub-total		6,763,781	23.47%	22.93%
3	FAROOQ KHAN	2,209,484			
	ISLAND AUSTRALIA PTY LTD	3,668,577			
	MR FAROOQ KHAN	21,883			
	Sub-total		5,899,944	20.47%	19.99%
4	MANAR NOMINEES PTY LTD	1,825,663			
	ZELWER SUPERANNUATION PTY LTD	180,500			
	Sub-total		2,006,163	6.96%	6.80%
5	COWOSO CAPITAL PTY LTD		1,150,000	3.99%	3.90%
6	DONALD GORDON MACKENZIE & GWENNETH EDNA MACKENZIE		466,003	1.62%	1.58%
7	MS ROSANNA DE CAMPO		268,100	0.93%	0.91%
8	GIBSON KILLER PTY LTD		220,000	0.76%	0.75%
9	GLENVIEW SERVICES PTY LTD		215,000	0.75%	0.73%
10	MR AYUB KHAN		215,000	0.75%	0.73%
11	MRS AFIA KHAN		215,000	0.75%	0.73%
12	MR SIMON KENNETH CATO	118,000			
	ROSEMONT ASSET PTY LTD	75,000			
	Sub-total		193,000	0.67%	0.65%
13	TOMATO 2 PTY LTD		185,019	0.64%	0.63%
14	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		136,125	0.47%	0.46%
15	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER		130,000	0.45%	0.44%
16	MR EUGENE RODRIGUEZ		110,000	0.38%	0.37%
17	MR KEITH FRANCIS OATES & MRS LINDA ANN OATES		100,000	0.35%	0.34%
18	MRS MARY THERESE CAMILLERI		100,000	0.35%	0.34%
19	DR SIEW NAM UN		87,500	0.30%	0.30%
20	CITICORP NOMINEES PTY LIMITED		85,296	0.30%	0.29%
Total			25,947,450	90.04%	87.95%

* Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (28,817,316) plus the equivalent voting shares associated with the 9,000,000 partly paid shares on issue based on the amount paid up per partly paid share (685,125).