



Friday, 20 May 2016

MARKET ANNOUNCEMENT

Company Update

Queste Communications Ltd (ASX:QUE) (**Queste** or the **Company**) refers to its request for a trading halt (on [17 May 2016](#)) and request to transition to a voluntary suspension (on [20 May 2016](#)) pending the release of a market announcement in relation to a potential proposed transaction concerning an acquisition by the Company and ancillary matters.

The Company notes that the terms of this market announcement was also subject to, inter alia, the Company's receipt of ASX's position in response to a submission made by the Company in relation to the application of the Listing Rules to the potential proposed transaction (and ancillary matters).

Queste was listed on ASX in 1998 as a technology company initially seeking to, inter alia, commercially exploit an Internet telephony software system. Whilst Queste has remained a technology company, there has been limited activities on the promotion and development of the Company's VoiceNet VoIP asset over the most recent history. Queste had submitted to ASX a potential proposed transaction involving the acquisition of a technology company in consideration of new Queste shares accompanied by the injection of cash funds into Queste by the vendor company. Queste considered the potential proposed acquisition as being consistent with the Company's historical objective to operate and promote itself as a technology company.

The advancement of the potential proposed transaction was subject to ASX not making a determination that the completion of the transaction required Queste having to re-comply with Chapters 1 ([Admission](#)) and 2 ([Quotation](#)) of the [ASX Listing Rules](#) as if the Company were applying for admission to ASX. In this regard, Queste lodged a formal submission with ASX seeking ASX's position in relation to the application of the Listing Rules to the proposed transaction, including a submission that Queste will seek prior shareholder approval (with the meeting documentation likely to include an Independent Expert's Report to opine on whether the proposed transaction is fair and reasonable to relevant shareholders) but would not be required to re-comply with Chapters 1 and 2 of the Listing Rules.

ASX has today formally responded advising that the Company would be required to re-comply with Chapters 1 and 2 of the Listing Rules if it undertook the proposed transaction.

Accordingly, as it was not the Company's intention to proceed with a proposed acquisition on this basis, Queste will not be advancing the potential proposed transaction.

FOR FURTHER INFORMATION:

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