



24 October 2012

Dear Shareholders,

**ANNUAL GENERAL MEETING AND BOARD RE-ELECTION GENERAL MEETING
- 23 NOVEMBER 2012**

You will have received the following documents in this mail-out to shareholders:

- (1) A Notice of Annual General Meeting (**AGM**) and personalised Proxy Form for the Company's AGM convened for 11:30am (Perth time) on Friday, 23 November 2012 (**AGM Notice**); and
- (2) Another Notice of General Meeting and a grey coloured personalised Proxy Form for a general meeting (**EGM**) convened for 4:30pm (Perth time) on the same day (**EGM Notice**).

2 SEPARATE MEETINGS, NOTICES AND PROXY FORMS FOR THE AGM AND EGM

The AGM Notice and EGM Notice relates to separate meetings of shareholders.

The AGM Notice contains 4 resolutions, as follows:	The EGM Notice contains 3 resolutions, as follows:
(1) Re-Election of Yaqoob Khan as Director	(1) Re-Election of Azhar Chaudhri as Director
(2) Adoption of Remuneration Report	(2) Re-Election of Simon Cato as Director
(3) Election of Massimo Livio Cellante as Director	(3) Re-Election of Yaqoob Khan as Director
(4) To Hold a Board Re-election Meeting	

Resolution 4 (To Hold a Board Re-election Meeting) will only be put to a vote at the AGM if 25% or more "Against" votes are cast on Resolution 2 (Adoption of the 2012 Remuneration Report).

This will constitute a "second strike" under the so-called "two-strikes" rule under June 2011 changes to the Corporations Act.

That is, if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, shareholders will have the opportunity to immediately vote on a "Board spill resolution" at the second AGM.

Resolution 4 is the "Board spill resolution" in this regard.

If Resolution 4 is passed, a further meeting of shareholders is required to be held within 90 days to re-elect Directors in office at the time when the Board approved the 2012 Remuneration Report.

The EGM convened after the AGM is this further meeting required to be convened within 90 days of the AGM; the EGM will only be held if shareholders have approved Resolution 4 at the AGM.

If shareholders have not approved Resolution 4 at the AGM, the EGM will be cancelled and will not proceed.

The Company will lodge a market announcement on ASX advising of the results of voting on the resolutions considered at the AGM as soon as practicable after that meeting and before the scheduled commencement of the EGM. An announcement will also be lodged on ASX if the EGM has been cancelled.



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Even though the EGM is contingent upon Resolution 4 at the AGM being passed, shareholders should still complete the Proxy Form for the EGM to record their contingent vote on the resolutions at the EGM.

The Proxy Form for the EGM is coloured grey to differentiate it from the white coloured Proxy Form for the AGM.

Proxy Forms for the AGM must be received by 11:30 am (Perth time) on Wednesday, 21 November 2012 (48 hours before the commencement of the meeting).

Proxy Forms for the EGM must be received by 4:30 pm (Perth time) on Wednesday, 21 November 2012.

SHAREHOLDERS SHOULD VOTE AGAINST RESOLUTION 3 FOR THE ELECTION OF MASSIMO CELLANTE AS A DIRECTOR AT THE AGM

Resolution 3 to be considered at the AGM for the election of Massimo Livio Cellante as a Director was put up in response to a nomination made by two companies associated with Mr Cellante - Bell IXL Investments Limited and Cellante Securities Pty Ltd, who are shareholders of Queste.

Shareholders will recall that at a previous (2007) AGM of the Company held on 30 November 2007, Mr Cellante similarly sought election to the Board of Queste.

At that time, the Company outlined the background of Mr Cellante and why the Board would not endorse the election of Mr Cellante.

Mr Cellante's nomination was not approved by shareholders at that time with a significant 72% majority of "No" votes cast on the resolution for his election to the Board.

The reasons adopted by the Board for not endorsing the nomination of Mr Cellante at that time have not changed.

The Board does not endorse the election of Mr Cellante as a Director and recommends that **shareholders vote against Resolution 3 on the AGM Proxy Form.**

QUESTES 20 MILLION PARTLY PAID SHARES

The Board has for some time been negotiating with the holder of the partly paid shares in Queste, Chi Tung Investments Ltd (a company associated with Queste Director, Mr Azhar Chaudhri) with a view to either cancelling those shares on agreed terms or otherwise dealing with them in a manner that resolves the significant value shift that occurs in favour of the partly paid shares as a result of any increase in the underlying value of the Company.

This has been a difficult exercise both in terms of dealing with the views of the holder of the partly paid shares as well as dealing with the views of other interested shareholders and in particular, Mr Massimo Cellante's companies, who are the largest shareholders of the Company.

The Company continues to advance discussions with all parties and hopes to be in a position to put a proposal dealing with these partly paid shares to Queste shareholders in the near future.

Yours Sincerely,



Farooq Khan
Chairman