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ASX ANNOUNCEMENT – MARKET UPDATE

Questus Limited (the Company) wishes to update the market following the recent voluntary suspension of the company's shares at the request of the Company.

As previously advised the Company has been in negotiations to undertake a recapitalisation to allow the Company to finalise negotiations with Bank of Queensland in relation to the various facilities associated with the Questus Land Development Fund (QLDF).

The Board of Questus believes that a recapitalisation of the company is in the best interest of all shareholders and allows the Company to focus its core activity on the delivery of affordable housing under the Federal Government National Rental Affordability Scheme (NRAS).

In light of the above negotiations, the Directors resolved to undertake a provisioning of all loans and receivables associated with the QLDF and subsidiaries in the half yearly financial report to 31 December 2011. The financial report released today shows a loss of \$4,389,717 after tax. The Directors have undertaken this measure despite the belief that these amounts may ultimately be recoverable, subject to the aforementioned proposal being achieved with Bank of Queensland.

The Board is confident that on completion of the above recapitalisation and finalisation of its proposal to Bank of Queensland that the Company will be in a position to maximise its involvement in the NRAS and a positive impact on its financial performance in the second half of the financial year.

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About Questus Limited

Questus Limited (QSS) is an Australian Securities Exchange listed Western Australian based funds and investment company.

Questus Limited is focused on providing innovative investment solutions for a range of investment funds, property based trusts, syndicates, super fund property warrants and capital structuring services.

Questus was founded in 2003 and brings a wealth of experience and an established reputation in developing innovative and boutique investment products for the wholesale and retail investment markets.

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