

14 May 2014

The Manager
Company Announcements Platform
Australian Stock Exchange

105 Railway Road
Subiaco WA 6008
PO Box 1533
Subiaco WA 6904
Telephone 08 9489 4444
Facsimile 08 9381 4963
invest@questus.com.au
www.questus.com.au
ACN 100 460 035

Dear Sir

ASX Code QSS

MARKET UPDATE

NRAS ROUND 5

The Board of Questus Limited (Questus) wishes to inform the market that the Federal Government Budget, issued on 13 May 2014, has determined to discontinue Round 5 of the National Rental Affordability Scheme (NRAS).

Questus has been a major participant in the NRAS since its initiation, and had applied for substantial entitlements under Round 5.

The implications for Questus are around the future of NRAS now that Round 5 has been terminated, and the capacity to deliver committed projects over the ensuing years of NRAS entitlements to 2016.

Questus currently has 1,274 dwellings in progress or under development and a further 621 for delivery by June 2016.

The Budget has advised that *“funding for incentives from earlier rounds that are uncontracted or not used within agreed timeframes will be returned to the Budget”*.

The Board believes that Questus will deliver all NRAS dwellings in progress and deliveries through to 2016, however at this time the Department of Social Services are unable to provide any detail around the frameworks identified in the Budget.

As previously advised to the market, Questus has been active in the creation of non-NRAS affordable housing solutions in collaboration with respective State Government Departments for the delivery of non-NRAS residential developments.

Questus are continuing to focus on the delivery of its full NRAS entitlements and will continue to pursue its activities in the affordable housing sector generally, and as a result of this Federal Government decision will engage in a strategic review of its opportunities and operations moving forward.

ENDS

For further information please contact:

**Elizabeth Lee
Company Secretary
(08) 9489 4444**

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 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.