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ASX Release



AUSQUEST TO COMMENCE URANIUM EXPLORATION AT SYLVANIA

AusQuest Limited (ASX: AQD) advise that detailed helicopter borne radiometric surveys are scheduled to commence next week within its 100% owned Sylvania Project south of Newman in the east Pilbara region of Western Australia, where earlier reconnaissance sampling by the Company had returned anomalous uranium assays (up to 341 ppm U₃O₈) from surface ironstone and calcrete samples (ASX report 20th November 2006).

The ironstones reflect targets along dykes, shears and fractures within the granitic bedrock whereas the calcretes are believed to be similar to those which host the uranium deposits at Yeelirrie (BHP) in Western Australia and at Langer Heinrich (Paladin Resources) in Namibia (South West Africa).

A total of twelve areas varying from 2 km² to 20 km² in size have been outlined for detailed helicopter surveys. The Company believes that the ability to fly slow (60 knots) along close spaced flight lines (50 metres) at low altitude (approximately 30 metres) will provide the detailed sampling coverage required to advance the prospects to the drilling stage later in 2007. No previous drilling for uranium has been carried out within the Company's leases.

Fugro Airborne Surveys has been contracted to undertake the surveys and will provide corrected radiometric data (uranium, thorium and potassium channels) within three to four weeks of completion of flying.

AusQuest continues to be encouraged by the early sampling results which confirmed the presence of uranium in a variety of geological settings. The Company controls approximately 1800 km² of title in the Sylvania region.



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