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ASX Release

AUSQUEST TO DRILL NICKEL PROJECTS

AusQuest Limited (ASX: AQD) advises that a drilling contract has been signed with Wallis Drilling Pty Ltd to undertake a minimum 6,000 metre diamond drilling programme within the Company's portfolio of nickel projects in the Pilbara region of Western Australia.

Drilling is scheduled to commence in late March / early April 2007 and will continue into the second half of 2007.

In light of encouraging exploration results received to date from the Company's four Pilbara nickel projects (Beasley, Bellary, Table Hill and Sylvania), AusQuest believes that the 2007 drilling program could lead to the discovery of new nickel province(s) in WA.

At least 20 targets have so far been identified for initial testing. These include:

- Thirteen high priority VTEM targets at Bellary, where the Company's mapping has located prospective ultramafic units with gossans and channels at their base that have never been drilled;
- eight GEOTEM conductors at Table Hill, where the Company is targeting Noril'sk-style massive nickel sulphides;
- two high-conductance ground EM anomalies at Sylvania within interpreted ultramafic stratigraphy similar to that at Beasley and Bellary; and
- a prospective channel (up to 500 metres wide) at Beasley which contains disseminated magmatic sulphides high Ni-Cu-PGE tenor, albeit at low levels.

The Company is currently in the process of finalising drill sites and obtaining the necessary clearances and approvals to enable drilling to commence as scheduled. It is planned that the projects will be drilled sequentially, commencing with the Bellary Project.

AusQuest controls 100% of the Beasley, Sylvania and Table Hill Projects and 75% of the Bellary Project.



Graeme Drew
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