

August 14, 2007  
ASX Release



## NEW TARGETS IDENTIFIED IN QUEENSLAND

AusQuest Limited (ASX: AQD) is pleased to advise that it believes gravity data recently released by the Queensland Department of Mines and Energy (QDME) have significantly upgraded the prospectivity of the Company's tenement holdings in the **Diamantina** area located in south-western Queensland.

The Diamantina Project, which is targeting base metals and uranium mineralisation, is focused along the southern margin of the Mt Isa Block where continental scale structures have been interpreted from regional geophysical data.

The recent release of infill gravity data has identified two discrete gravity anomalies with the size (plus 20km<sup>2</sup>) and amplitude (15 and 32 milligals) that is consistent with the presence of iron oxide systems that have been found elsewhere to contain copper, gold and uranium mineralization.

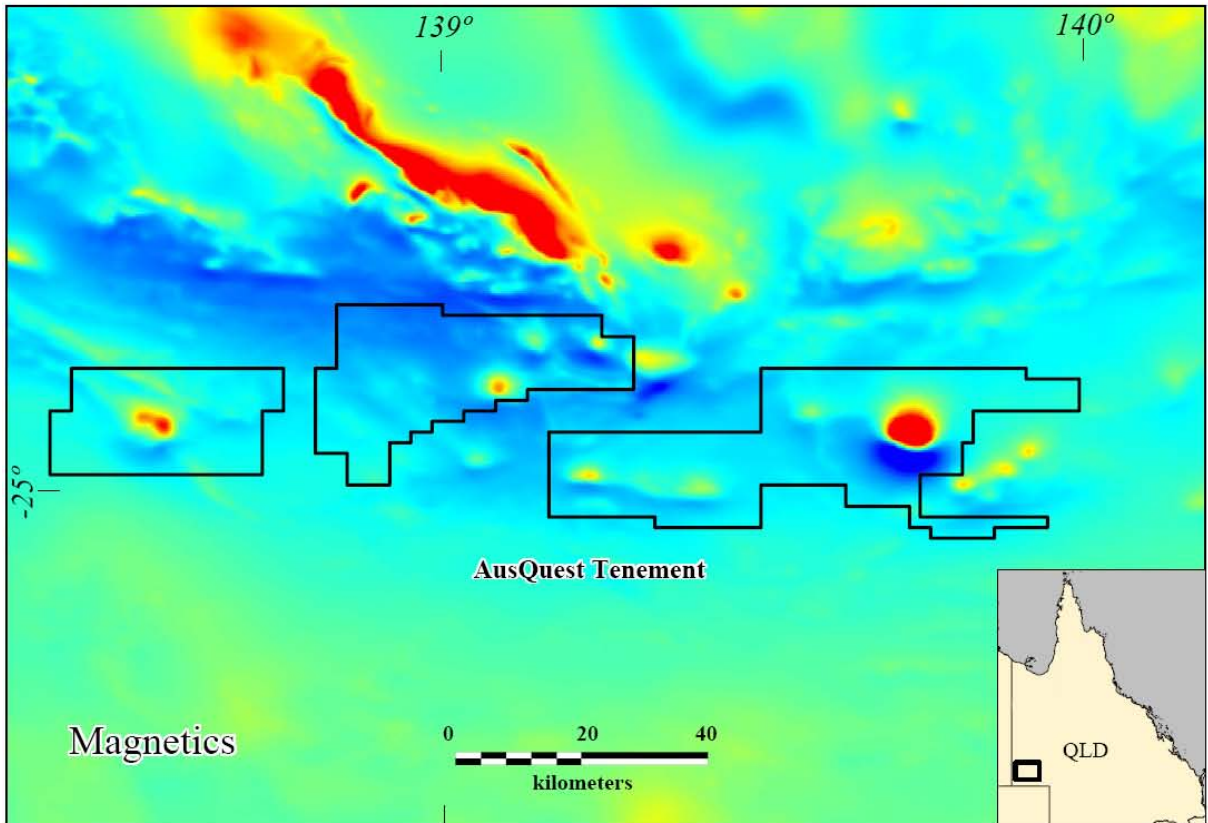
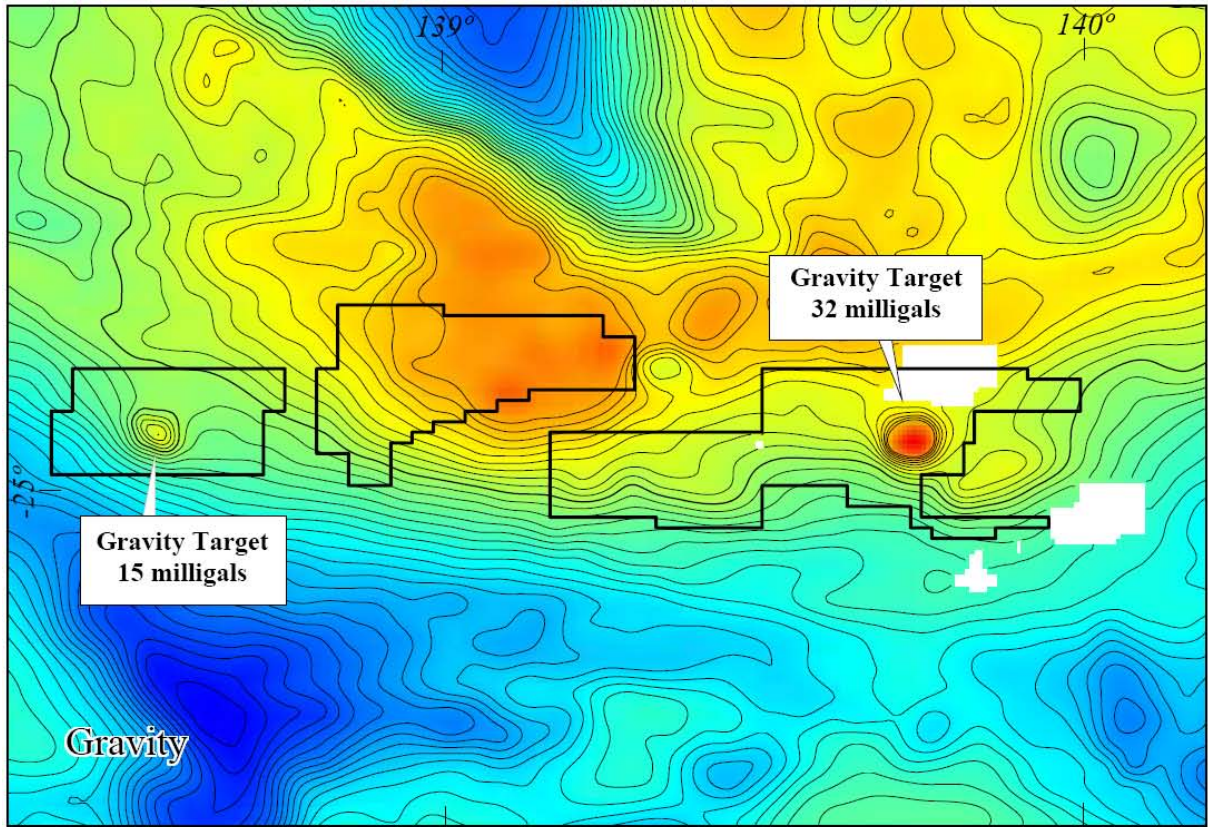
The gravity features, which are coincident with discrete magnetic anomalies (see attached figures), represent direct drilling targets for the Company, once all access approvals have been obtained.

Computer modeling shows that the targets occur beneath the Eromanga Basin sediments at depths of approximately 1,000 metres. Infill gravity surveys are planned as soon as possible after access is approved, to optimize sites for drilling.

The Company controls approximately 2900 km<sup>2</sup> of tenement in the area, consisting of 2 granted Exploration Permits (EPs) and 12 EP applications, and will commence field work once key tenements are granted.



Graeme Drew  
**Managing Director**



Diamantina Project Gravity and Magnetic Images