

November 29, 2007
ASX Release



STRONG INSTITUTIONAL DEMAND FOR PLACEMENT

In response to very strong demand from an international institution in respect of the placement announced to the ASX on 28 November 2007 the size of the placement has been increased by 2,675,000 shares to a total of 9,875,000 shares (with 4,937,500 attaching options) to raise \$2,765,000.

As announced on 28 November, in addition to the placement, AusQuest will be undertaking a share purchase plan ("SPP") offering all shareholders the opportunity to participate in the capital raising on the same terms as the placement. The Company will raise a maximum of \$2m under the SPP.

Exploration Programme

Following the recent manganese discovery at the Company's Table Hill Project in the East Pilbara region of WA, the funds raised from this Placement and SPP will be applied predominantly towards an aggressive drilling programme that will target further manganese intersections in the vicinity of the initial drill intersection (3.9m @ 47.5% Mn) reported to the ASX on 20th November 2007. This programme aims to confirm both grade and continuity of mineralisation within the extensive (18 km²) target area defined by the airborne EM survey.

Part of the funds will also be used to test additional manganese targets identified by the airborne EM survey especially where manganese mineralisation is interpreted at shallower depths. Drilling is expected to commence early in the 2nd Quarter of 2008.



Graeme Drew
Managing Director