

July 22, 2008
ASX Release



MANGANESE AT TABLE HILL EXTENDED SOUTH OF DISCOVERY HOLE

- **9.3m of manganese mineralisation intersected ~300m south of the discovery hole (THD01 – 3.9m @ 47.5% Mn).**
- **NITON XRF analyser indicates grades up to 41% Mn (assays awaited).**
- **Drilling is continuing to test lateral extent of manganese mineralisation.**

Further to recent releases on its current manganese (Mn) drilling programme, AusQuest Limited (ASX: AQD) is pleased to advise that a **thicker section of manganese mineralisation** has been intersected in drill hole THD10, located approximately 300 metres south of previously reported drill holes THD01 and THD07 at the **MN1 manganese prospect** at Table Hill, located ~200km east of Newman in Western Australia.

Hole THD10 intersected a **9.3m section of both massive and disseminated manganese mineralisation** at a vertical depth of ~320 metres. Grades appear to be highly variable over this interval, ranging from 1% Mn to up to 41% Mn based on readings obtained using a Niton portable XRF analyser (*see disclaimer below*). Samples are being despatched for analysis.

Hole THD10 was the first hole drilled south of the discovery hole (THD01), and appears to confirm the interpretation of recently acquired ground electromagnetic (EM) data which provided improved definition of EM targets and indicated potential for southerly extensions to the manganese mineralisation.

Correlation of ground and airborne EM data, suggests that the manganese mineralisation may extend further to the south (several kilometres), as well as still being open to the north and west of the manganese intersections reported in holes THD01 and 07. Further ground EM surveys are planned south of THD10 as soon as a geophysical crew becomes available, to optimise targets for future drilling in this area.

Current drilling will focus on testing the lateral extent of the manganese intersected in hole THD10 as well as extensions to the mineralisation north of holes THD01 and 07. The Board of AusQuest will continue to report results from the 2008 drilling programme at Table Hill as they become available.

Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

DISCLAIMER

The estimates of manganese grade referred to in this release are based on readings at 10cm intervals along the core using a Niton XL3t portable XRF analyser. While AusQuest believes the Niton estimate is indicative of the grade of the intersection, the Company makes it clear that the Niton grades are not based on formal assays and are an estimate only.

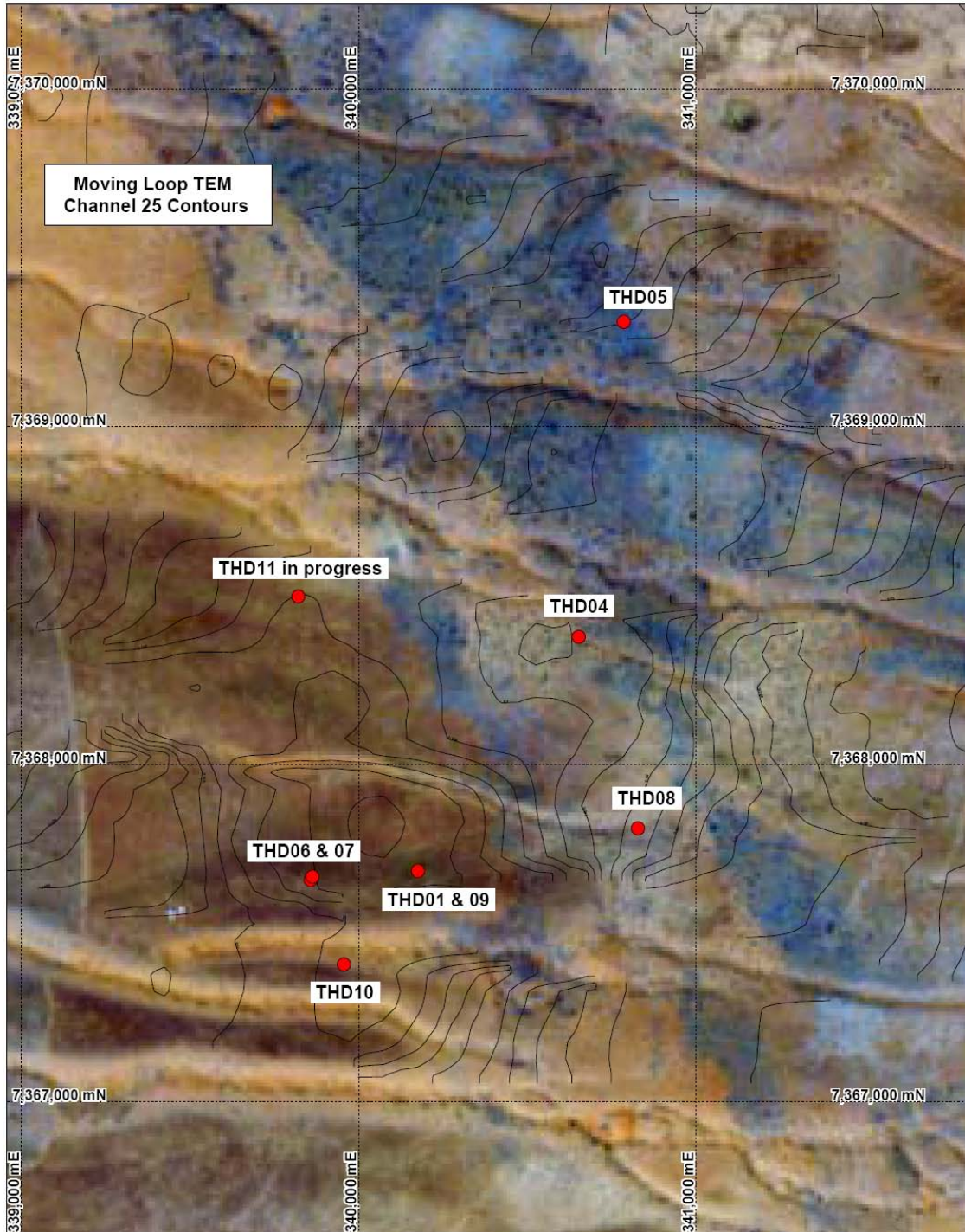


Table Hill Drill Hole Location Plan on Landsat Image