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ASX Release

DRILLING UPDATE — NAMELESS IRON PROJECT

AusQuest Limited (ASX: AQD) advises that the initial drilling programme at its Nameless Iron Ore Project, located 5 kilometres north west of Tom Price in the Pilbara region of Western Australia, has been completed and samples despatched to Perth for analysis. The company has been advised that analytical results should be available within three to four weeks. The Nameless Project is subject to previously announced agreements with Rio Tinto Limited.

The initial drilling programme consisted of 64 vertical Reverse Circulation drill holes for 1,554 metres spread over 13 sections, ranging between 800 metres and 1,200 metres apart. The sections span a 13 kilometre strike length of the 15km long channel that had been outlined by earlier surface mapping.

Pisolitic channel iron mineralisation was intersected on all sections with maximum channel thicknesses ranging from 14 to 26 metres (as measured at the thickest point on each section), except on the easternmost section where thicknesses are 5 to 6 metres. Channel widths vary from approximately 150 metres to in excess of 500 metres.

Surface cover is thin, especially over areas of channel iron sub-crop, increasing to a maximum of 10 metres depth where the channel is covered by either detrital scree or younger alluvial calcrete deposits. Younger iron-rich detrital material was found to unconformably overly the channel on 3 sections.

Further announcements will be made once analytical results have been received and assessed.



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.