AUSQUEST LIMITED

ABN 35 091 542 451

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ASX Release

START OF DRUMMOND GOLD PROJECT DRILLING

AusQuest Ltd (ASX Code: AQL) is pleased to announce that reconnaissance drilling is planned to commence on 16 December at the Drummond gold project, located 300 km southwest of Mackay in Central Queensland, following signing of a drilling contract and completion of site clearance work.

AusQuest will complete up to 6,000 metres of reverse circulation (RC) drilling to test a range of prospective structural, magnetic and gravity targets that have been modelled on geological and geophysical similarities to deposits in the +100 million ounce Carlin gold trend in Nevada, USA.

The drill programme will commence at the Walthum prospect, in the northern part of the project area, to initially test five magnetic/structural targets. Drilling at the Fiery Creek and Nunnery prospects will commence early in 2004 to test three magnetic and structural targets two of which are associated with either low level gold geochemical anomalism in soils or anomalous rock chip samples assaying up to 0.44 g/t gold.

Approximately 40 RC holes have been planned to test eight targets as part of the initial drilling campaign. One traverse of inclined holes, spaced at 100 metre intervals and drilled to depths of up to 150 metres, will be completed over each target. Drilling will be staged to allow early results to be assessed prior to committing to further infill work.

The initial 40 hole programme is expected to be completed by the end of January, weather permitting, with further follow-up drilling planned for March once results have been fully assessed. Results will be announced on an ongoing basis.

Detailed information on the Drummond gold project is contained in AusQuest's prospectus, which can be viewed on the company's web site at www.ausquest.com.au or be obtained by contacting AusQuest directly.

Yours sincerely

GDrew

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