AUSQUEST LIMITED
ABN 35 091 542 451

13 May 2005
ASX Release

AUSQUEST RAISES $3.5 MILLION TO DRILL FOR IRON, NICKEL AND GOLD

The Board of AusQuest Limited (ASX code: AQD) is pleased to announce the Issue of 26,923,000 shares and 13,461,500 attaching options to raise $3.5 million, principally to Hartley's retail and institutional clients, was closed on 12 May 2005. Shareholder approval for the Issue was received at a general meeting of shareholders held on the 10 May 2005.

The success of the Issue means the company now has in excess of $4 million to undertake aggressive exploration across a range of projects.

At the Rocklea iron prospect, located 40 kilometres west of Tom Price in the Pilbara region of WA, the first phase of drilling which tested a one kilometre strike length of the known channel has been completed with assay results expected around the end of May.

This prospect was originally discovered in 1978/79 as a result of scout drilling by Hamersley Exploration Pty Ltd who intersected hydrated pisolitic type mineralisation grading between 54% and 59% iron in several drill holes whilst testing for a potential surface pisolite iron deposit straddling the Wittenoom - Nanutarra Road.

Clearances are now being sought to extend the Rocklea drill coverage and test a further five kilometre strike length of the potential pisolitic channel iron deposit(s).

Drill programmes have also been scheduled at Beasley to test for massive nickel sulphide mineralisation and at Drummond in central Queensland to test the Wild Horse Ridge gold prospect. Planning for both programmes is well advanced with the Beasley drilling expected to commence around the end of May and drilling at Drummond in the June-July period.

The company also plans to undertake a large airborne electromagnetic survey over the Table Hill nickel project in September. This will provide the data required to fast track definition of drill targets within this highly prospective area.

To date a total of 24,653,000 shares and 12,326,500 listed 2006 options have been allotted pursuant to the Issue and the directors anticipate allotting the remaining 2,270,000 shares and 1,135,000 options on or about Tuesday 17 May 2005.

GDrew

Graeme Drew
Managing Director

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