AUSQUEST
LIMITED
ABN 35 091 542 451

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ASX Release

DRILLING COMMENCES AT THE BEASLEY NICKEL PROJECT

AusQuest Limited (ASX: AQD) has been advised by Falconbridge (Australia) Pty Limited (Falconbridge) that drilling has commenced at its Beasley Nickel Project, located 50 kms west of Tom Price in the Pilbara region WA. The Beasley Project is subject to an Option and Farm-in Agreement with Falconbridge which can earn a 70% interest in the project by spending a total of $12.0 million on exploration in the area.

The drilling programme is being managed by Falconbridge and is expected to take several weeks to complete. Initially, two diamond drill holes have been planned to test the basal contact of the prospective ultramafic host rocks to the west of drill hole DDH07 (completed by AusQuest) which intersected disseminated nickel-copper-PGE sulphides as reported to the ASX in July 2005 and in the Company's September 2005 quarterly report. Further drilling and down-hole electromagnetic surveys will depend on results from these holes.

Falconbridge has advised that assay results from this programme should be available approximately 4 weeks after completion of the drilling.

The Beasley Project displays a number of geological similarities with Falconbridge's Raglan Nickel District in Canada both in its geological setting and in the metal tenor of the sulphides intersected in DDH07. At Raglan, similar disseminated sulphides can occur marginal to massive nickel sulphide deposits.

The Board of AusQuest looks forward to reporting the results of this programme when they become available.

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Managing Director

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