AUSQUEST
LIMITED
ABN 35 091 542 451

6 Kearns Crescent, Ardross WA 6153
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30 October 2006

ADDRESS_1
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Number of Options Held:	**<OPTIONS HELD>**
Amount Payable at 20 cents per Option:	**<PRICE>**

Dear Optionholder

NOTICE TO OPTION HOLDERs

We write to you as a registered holder of the above number of options as at today's date. These options entitle you to acquire ordinary fully paid shares in AusQuest Limited. Each option held is for the acquisition of one ordinary fully paid share, and the exercise price is 20 cents per share.

You are formally advised that these options will expire at 5.00pm Western Standard Time ("WST") on 30 November 2006, and official quotation on the Australian Stock Exchange will cease at the close of trading on Thursday 23 November 2006.

Options may be exercised wholly or in part by completing the exercise of options form and payment of 20 cents for each option exercised, by no later than Thursday, 30 November 2006. If the 'Notice of Exercise of Options and Application for Shares' form and payment is not received by 5.00pm WST on Thursday, 30 November 2006 the option will not be exercised and will result in the forfeiture of any rights that you as an optionholder may have in relation to ordinary shares.

Pursuant to Listing Rule 6.24, Appendix 6A of the Australian Stock Exchange Limited (ASX), the Company provides the information contained in this notice.

Market Sale Price

The market sale price of ordinary fully paid shares in AusQuest Ltd on the ASX was 16.0 cents on 30 October 2006, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price on the ASX was 30 cents on 7 September 2006; and
- the lowest market price was 15.5 cents on 20 October 2006.

A 'Notice of Exercise of Options and Application for Shares' form is enclosed for your completion.

How to Exercise your Options

Please complete the enclosed 'Notice of Exercise of Options and Application for Shares' from and then forward it together with your cheque, to be received by 5.00 pm WST on Thursday, 30 November 2006.

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Payments must be in Australian dollars only, and cheques should be made payable to AusQuest Limited and crossed "Not Negotiable" and drawn on an Australian bank.

Yours sincerely
AUSQUEST LIMITED

Graeme Drew
Managing Director

AQDO

AUSQUEST LTD

ABN 35 091 542 451

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

I/ We, Mr/ Mrs/ Miss ____

First Names/ Company Name Surname/ Australian Company Number

Address ____

Postcode ____________

(Please complete full name and address)

Contact Telephone Number ________________________

The registered holder(s) of the Options hereby exercise my/our Option for:

______________ ____

In figures In words

Ordinary Fully Paid Shares at an exercise price of 20 cents each and enclose application money $...
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Securityholder Reference Number (S.R.N.) ______________________ Complete this only if you are Issuer Sponsored.
Holder Identification Number (H.I.N.) ______________________ Complete this only if you are CHESS Sponsored.

Signature Of Shareholder(s) (All joint holders must sign)	**Companies Only -** Executed in accordance with the Company's Constitution and the Corporations Law.	
x------------------------------ Signature Date	x------------------------------ Sole Director and Sole Secretary Date	
x------------------------------ Signature Date	x------------------------------ Director Date	x------------------------------ Secretary Date
x------------------------------ Signature Date	x------------------------------ Director Date	x------------------------------ Director Date

Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry. The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

Options Terms and Conditions

The Options entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options may be exercised at any time until 30 November 2006. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of twenty cents (20c) per Option exercised. The Options will lapse at 5.00pm WST on 30 November 2006.
3. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until 30 November 2006. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is Listed on ASX.
4. Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
5. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act 2001 and the Listing Rules.
6. (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the exercise price of the options or both shall be reconstructed (as appropriate) in a manner consistent with the Listing Rules; and

   (ii) (subject to the provisions with respect to rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of Options shall remain unchanged.

6\. If there is a bonus issue to Shareholders, the number of shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Cheques should be made payable to AusQuest Ltd and crossed "Not Negotiable" and drawn on an Australian Bank and posted to Advanced Share Registry Services, PO Box 1156, Nedlands, Western Australia 6909.

NOTE: OPTIONS NOT EXERCISED BY 30 NOVEMBER 2006 WILL AUTOMATICALLY EXPIRE.