

November 23, 2010
ASX Release



AUSQUEST INTERSECTS HIGH-GRADE GOLD IN EARLY DRILLING IN WEST AFRICA

Hole RC030 intersects 8 metres at 7.7 g/t gold at Phaco Hill Prospect, Burkina Faso

AusQuest Limited (ASX: AQD) is pleased to report that Reverse Circulation (RC) drilling at the **Phaco Hill** prospect, part of its Comoe Joint Venture with Etruscan Resources Bermuda Ltd in Burkina Faso, West Africa, has returned a strong intercept of **8 metres @ 7.7g/t Au** (including **1m @ 28.1g/t Au**) from a down hole depth of 97 metres.

The intercept was reported from the second of four holes (RC029 to RC032) that were sited to test a VTEM anomaly in the Phaco Hill area, which is one of several priority prospects being tested as part of the current drilling program.

The gold mineralisation occurs within a zone of semi-massive sulphide mineralisation (pyrite and pyrrhotite) which is believed to be the cause of the VTEM response.

RC drill holes sited 100 metres to the north and south of hole RC030 did not intercept the semi-massive sulphides, indicating that the shape of the sulphide zone may be more complex than interpreted from computer modelling.

Follow-up drilling will get underway shortly to further test this high grade intersection and determine the potential extent of the gold mineralisation.

Diamond drilling to test below the current level of drilling and provide necessary geological control is scheduled to commence in December 2010, pending arrival of the drill rig from Ghana.

A further five VTEM targets in the general Phaco Hill area are scheduled to be tested by RC drilling over the coming weeks/months. RC drilling of other gold targets is also continuing.

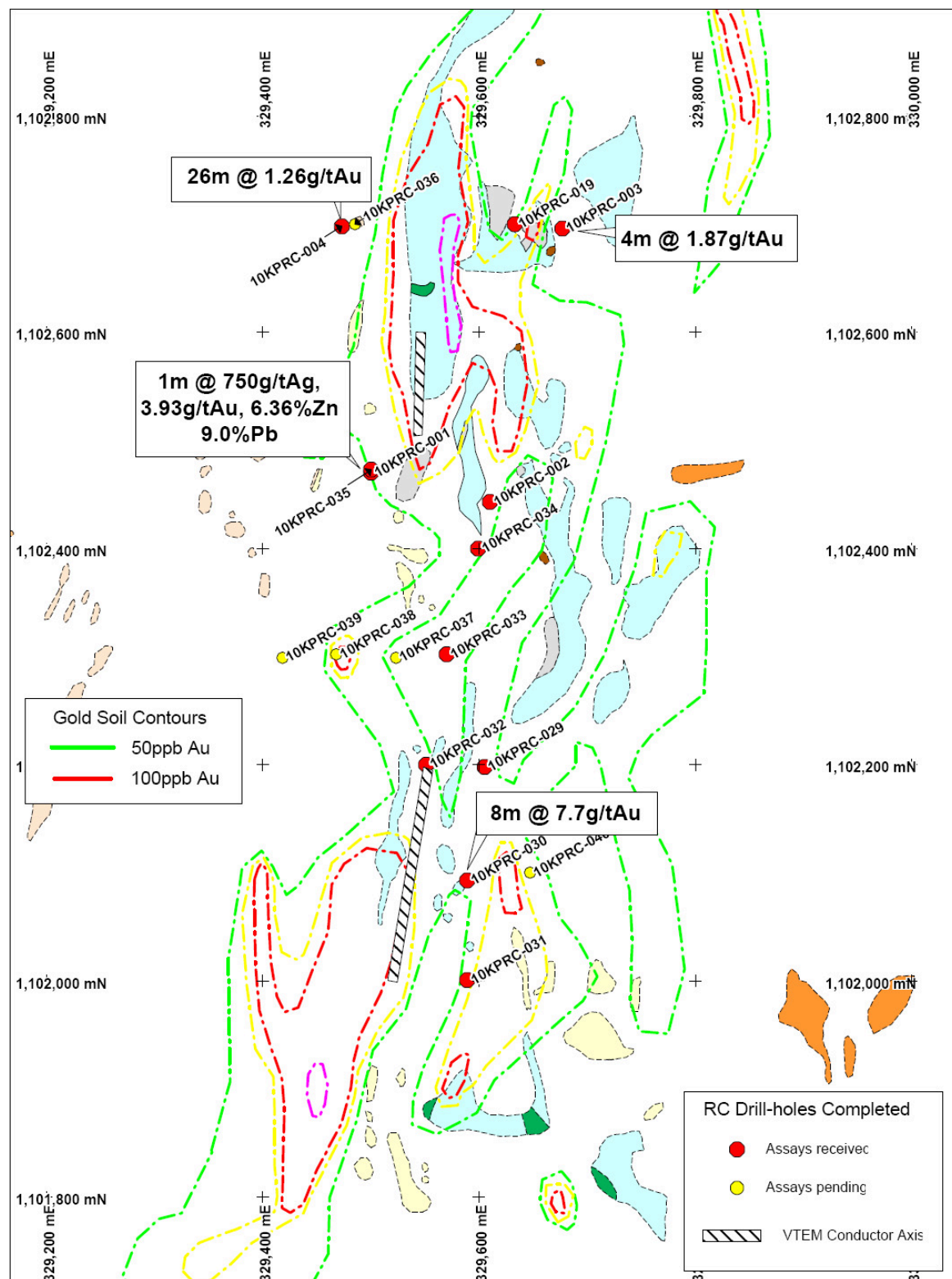
AusQuest's current drilling program comprises a total of approximately 10,000 metres of RC drilling and 3,000 metres of diamond drilling across multiple gold and base metal targets. Assay results from this program should be available within four to eight weeks of drilling.

The Board of AusQuest is pleased with the recent drilling results from Burkina Faso and looks forward to reporting further results as they become available.

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.



Phaco Hill Prospect showing RC drill results