

February 22, 2011
ASX Release



DRILLING RETURNS FURTHER ENCOURAGING GOLD INTERCEPTS IN BURKINA FASO, WEST AFRICA

NEW RESULTS INCLUDE 12m @ 4.92g/t Au and 11m @ 3.12g/t Au AS KEY PROGRAM OF DEEPER DIAMOND DRILLING COMMENCES

AusQuest Limited (ASX: AQD) is pleased to report further encouraging results from ongoing Reverse Circulation (RC) drilling at the **Phaco Hill** prospect, part of its Comoe Joint Venture with Etruscan in Burkina Faso, West Africa, as a key program comprising 6,000m of deeper diamond drilling commences.

Significant gold intersections returned from recent RC drilling at the southern end of the Phaco Hill prospect include:

RC051	19 metres @ 2.25g/t Au (including 1 metre @ 12.3g/t Au)
RC052	12 metres @ 4.92g/t Au (including 2 metres @ 13.5g/t Au)
RC053	11 metres @ 3.12g/t Au (including 1 metre @ 8.6g/t Au)

Drill-holes RC051 and RC052 are located approximately 25 metres south, and drill-hole RC053 approximately 25m north, of the previously reported intersection of **8 metres @ 7.7g/t Au** in drill-hole RC030 (see ASX Announcement of 23rd November 2010), confirming the continuity of the gold mineralisation in this area.

The gold is interpreted to occur within a steep southerly-plunging shoot, which is up to 100 metres in length and open at depth (below 100 metres). Silver and base metal assays from the recent drilling are awaited.

The gold is spatially associated with semi-massive sulphide mineralisation (dominantly pyrite), which is believed to be the cause of part of the VTEM response that has been targeted by the drilling. Deeper drilling of this high-grade gold lens will be undertaken over the coming weeks and months as part of the ongoing diamond drilling program.

Large thicknesses of low-grade gold mineralisation (including 40 metres @ 0.29g/t Au in RC060 and 42 metres @ 0.31g/t Au in RC061) have also been intersected by recent RC drilling (3 holes at 50m spacing), approximately 250 metres north-east of drill-hole RC030.

These results suggest the presence of a second sub-parallel gold zone at Phaco Hill which will be targeted by further drilling.

The Company is also pleased to advise that the diamond drilling rig has now arrived on site and drilling at the Phaco Hill prospect has commenced. The current drill program comprises a total of 15,000 metres of RC drilling (10,000m outstanding) and approximately 6,000 metres of diamond drilling across multiple gold and base metal targets within the Komoe tenement.

Initial diamond drilling is testing the northern portion of the Phaco Hill prospect where earlier RC drilling indicated the presence of gold mineralisation within highly siliceous and altered rocks (26 metres @ 1.26g/t Au and 4.5g/t Ag in RC 04) but failed to fully test the gold zone.

Assay results from this program should be available within four to eight weeks of drilling.

A ground geophysical crew has been mobilised to site to undertake both surface and down-hole electromagnetic (EM) surveys at Phaco Hill and at other EM targets located by the VTEM survey. This program is expected to take approximately 2 to 3 months to complete.

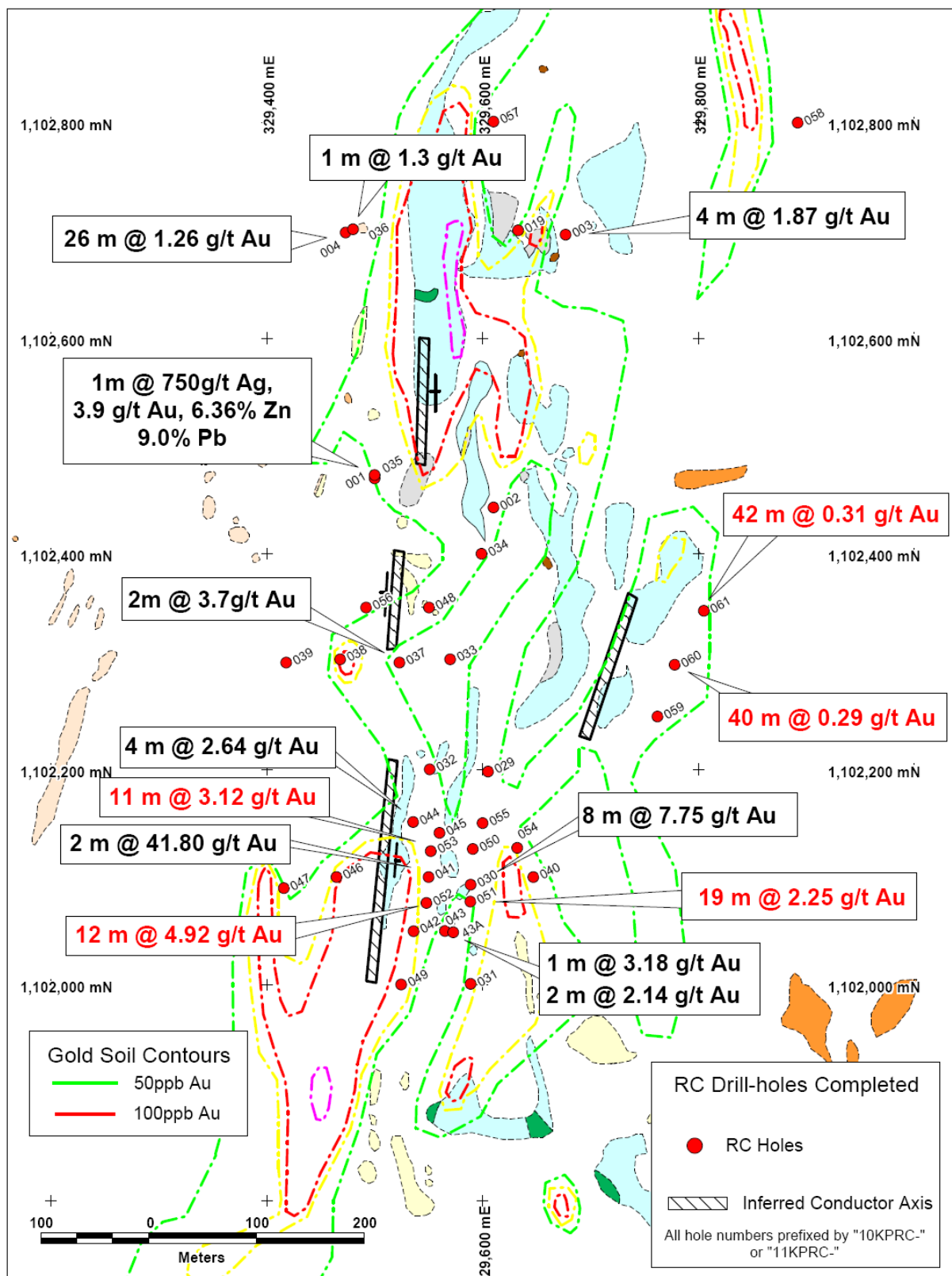
The Board of AusQuest remains confident that further drilling at Phaco Hill, and other sites within the Company's tenement portfolio in Burkina Faso, will continue to provide encouraging results and looks forward to reporting them as they become available.



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