

May 11, 2012

AUSQUEST INTERSECTS HIGH-GRADE GOLD IN BURKINA FASO

Significant intersection of 12m @ 3.82g/t Au from surface 200m SE of Phaco Hill prospect

AusQuest Limited (ASX: AQD) is pleased to report a significant high-grade gold intersection of **12m grading 3.82g/t Au** from surface, from reconnaissance RAB drilling at its Comoe Gold Project in Burkina Faso, West Africa. The intersection occurs ~200m south-east of the previously discovered Phaco Hill gold-silver prospect.

The high gold grades occur over the entire length of the drill-hole, which had to be terminated at 12 metres depth due to limitations of the drilling rig (hard ground). The hole was sampled on a 4 metre composite basis, with assays for the composites varying from 0.99g/t Au to 5.32g/t Au.

The significance of this intersection is still being assessed as it may represent the start of a new gold zone(s) associated with an interpreted feeder system for the Phaco Hill gold-silver mineralisation that was outlined by drilling last year.

This interpretation could open up new areas of gold potential within the Komoe tenement. In-fill RAB drilling is being planned to confirm the trend of this gold before possible deeper drilling of this target.

Assay results from RAB drilling north and south of the main Phaco trend reported anomalous gold values (including 11m @ 0.5g/t Au, 6.5m @ 0.34g/t Au, 14m @ 0.26g/t Au) from a number of drill-holes that ended in mineralisation, extending the Phaco gold trend by several hundred metres (Figure 1).

Assays from reconnaissance RAB drilling (single line tests) over five regional gold-soil anomalies elsewhere within the Komoe tenement, returned anomalous gold values (>0.1g/t Au) from several holes at the K3 and Grano prospects but no other significant assays.

Further drilling will be planned for these prospects.

RAB drilling continues within the western and northern tenements of the Comoe Project. It is expected that a total of ~23,000 metres will be drilled before the program is completed.

First assay results from RAB drilling (total of 265 holes) of 10 prospects within the Tondoura tenement are expected around the end of May 2012, pending the back-log of samples within the laboratory in Ouagadougou (Figure 2).

The Comoe Project, which is 100 per cent-owned by AusQuest, comprises seven Exploration Permits in the south-west of Burkina Faso.

The Company looks forward to reporting further results from this area 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.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

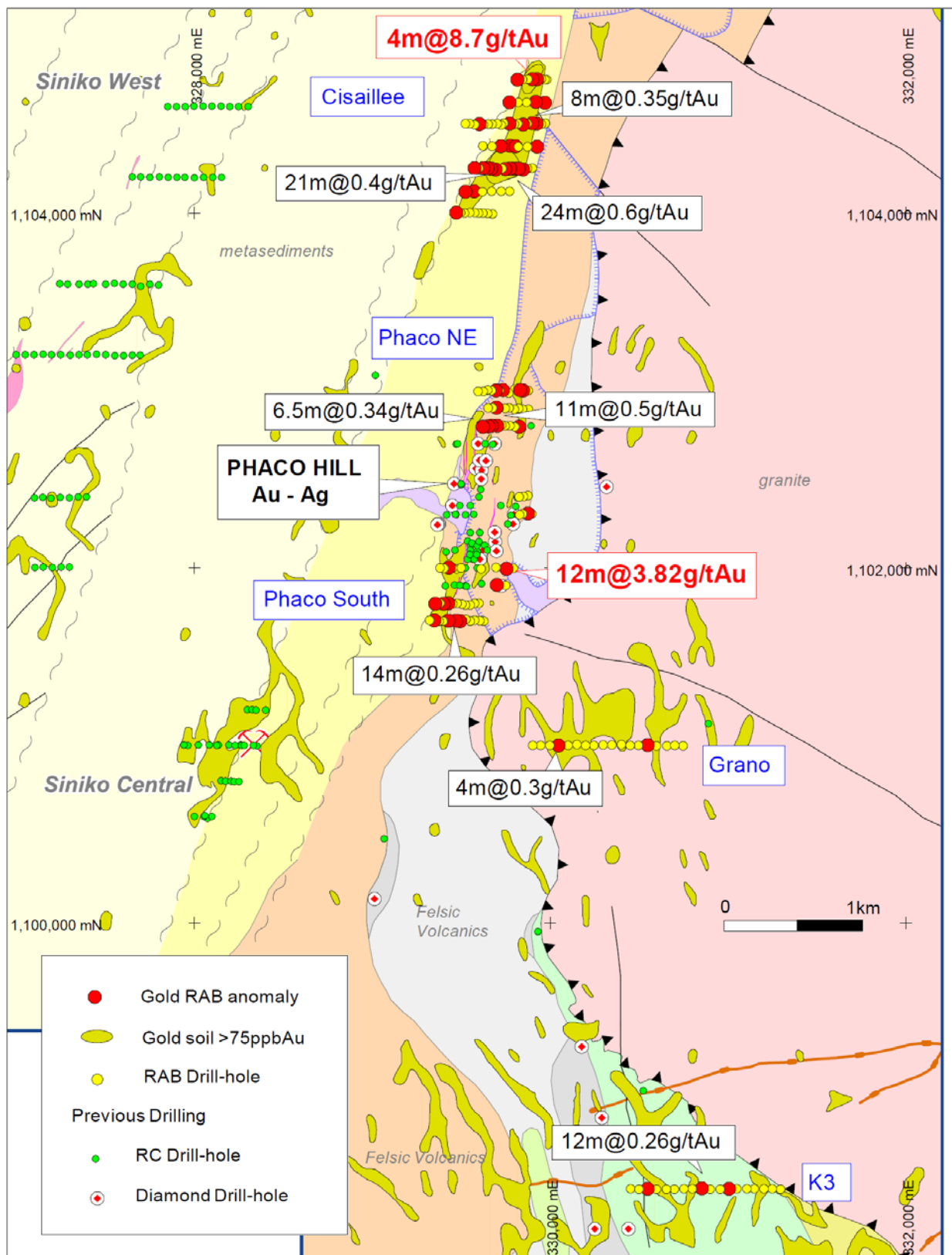


Figure 1: Komoe – Location of Gold Prospects showing RAB Drilling Results

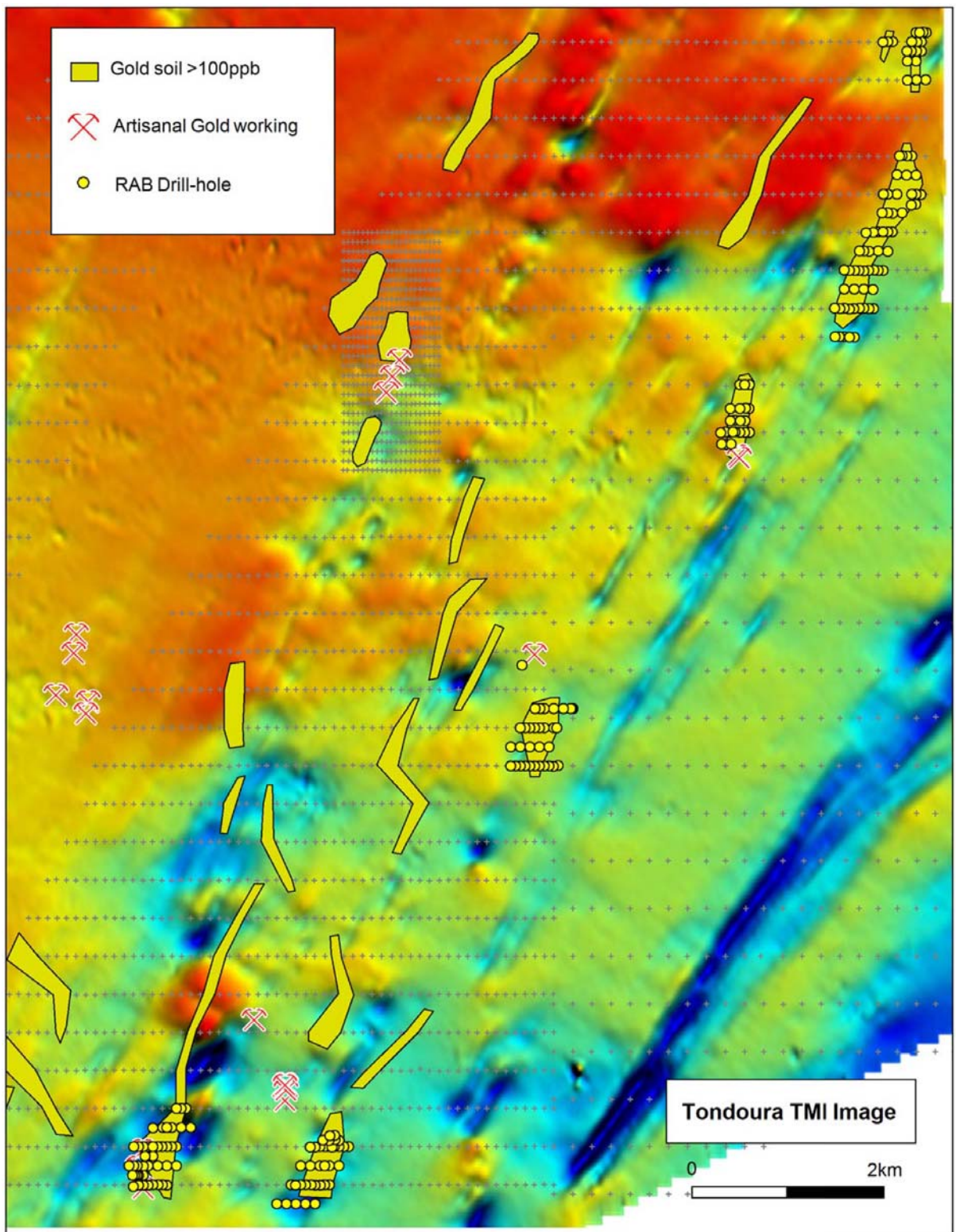


Figure 2: Tondora - Location of Gold Prospects and RAB drill-holes.