

January 19th, 2011
ASX Release



AUSQUEST RECEIVES FIRST PAYMENT FOR SALE OF PILBARA IRON ORE ASSET

AusQuest Limited (ASX: AQD) is pleased to advise that it has received the first payment, of **\$3.375 million**, from the sale of its 75% interest in the Rocklea Iron Ore Project in the Pilbara region to Dragon Energy (“Dragon”).

Under the agreement, Dragon is required to make a further two cash payments of \$1.5 million prior to 19th January 2012, and \$1.0 million prior to 19th January 2013.

Should any of these payments not be made, the tenement will revert back to AusQuest (via its 100% holding in Fortescue) and its Joint Venture partners.

The proceeds from the divestment of these non-core assets will be used to fast-track higher priority projects in West Africa and Australia, including the Comoe Joint Venture in Burkina Faso where a major drilling program is currently underway.



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.