

Attention business/financial editors and reporters:

**AEROQUEST INTERNATIONAL LIMITED (TSX-V:AQL)
Announces financial results for the three months ended March 31, 2008**

- *Revenue of \$13.3 million, up 124% including acquisitions*
- *Operating cash flow of \$2.8 million in the period, or \$0.09 per share*
- *Contract backlog a healthy \$18 million*

Mississauga, ON – May 14, 2008 - Aeroquest International Limited today reported financial results for the three month period ended March 31, 2008.

On October 23, 2007 the Company announced its intention to change the financial year end to September 30th. As a result of this change in financial year end, comparative periods do not line up precisely. The comparative period used in this report is for the three month period ending April 30, 2007.

“This was a very full quarter for our Company,” said Roy Graydon, President & CEO of Aeroquest; “In addition to posting strong operating results in our core Mining Services business, we made substantial progress in developing traction in Petroleum Services, bringing several large contracts to the signature stage, and continue to be optimistic about the opportunities in Environmental Services. We completed a very important common equity financing in the quarter, raising \$18.5 million; which allowed us to de-lever our balance sheet, increase our capital expenditure plans and enhance our liquidity to take advantage of future opportunities.”

Consolidated revenue for the three months ended March 31, 2008 was \$13.3 million, an increase of \$7.4 million or 124% over the most comparable period last year and up \$2.2 million or 20% over consolidated revenue for the first quarter of 2008. Revenue from helicopter operations contributed \$7.4 million in the quarter, while revenue from fixed wing operations totaled \$5.6 million in the quarter.

Gross profit in the period was \$6.1 million, or 46% of revenue, driven by a normalization of costs in our helicopter operations and an exceptionally productive quarter in our fixed wing operations. Gross profit margins have recovered to historical levels, increasing 3% in the current quarter over the comparable period last year and increasing 30% over the first quarter of 2008.

EBITDA in the quarter was \$3.4 million, or 26% of revenue, an increase of \$2.4 million or 225% over the comparable period last year. The EBITDA improvement was the result of higher revenue, a healthy gross margin offset by an increase in cash operating costs driven by the increased size and scope of the business.

Net income in the quarter was \$0.8 million, an increase of \$0.5 million or 154% over the comparable period last year. Earnings per share for the quarter are \$0.03 compared to \$0.02 per share for the comparable period last year.

Operating cash flow before changes in working capital was \$2.8 million, or \$0.09 per share for the period, as compared to \$0.8 million, or \$0.05 per share in the most comparable period last year, and reflects the underlying health of the Company’s operations.

Capital expenditures totaled \$1.7 million for the quarter, representing 13% of revenue, which was in line with the Company’s expectations.

Contract backlog showed a modest decrease over the last quarter and sits at \$18 million at period end. Backlog is composed of \$6 million in helicopter backlog and \$12 million in fixed wing backlog.

About Aeroquest International

Aeroquest International is a global information and technology services company and a leader in the development and operation of innovative and proprietary geophysical surveying platforms for the mineral and petroleum exploration, and environmental services industries. Directly, and through its sister companies UTS Geophysics and Geophex, Aeroquest fields a fleet of approximately two dozen helicopter and fixed wing systems and is active around the world. More information about Aeroquest can be found at www.aeroquest.ca. More information on UTS Geophysics can be found at www.uts.com.au. More information on Geophex can be found at www.geophex.com.

For Investors

This news release may include statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. The Company cautions that actual performance will be affected by a number of factors, many of which are beyond its control. Future events and results may vary substantially from what the Company currently foresees. Discussion of the various factors that may affect future results is contained in the Company's recent filings, available on SEDAR.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

For further information, please contact Roy Graydon, President & Chief Executive Officer (rgraydon@aeroquest.ca), 905-672-4010.



Aeroquest International Limited Unaudited Consolidated Financial Statements

For the three and six months ended March 31, 2008

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited financial statements for the period ended March 31, 2008.

Aeroquest International Limited

Consolidated Balance Sheets
Unaudited – Prepared by Management



As at	Mar. 31, 08 (Unaudited)	Sep. 30, 07 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 16,225,372	\$ 5,398,777
Accounts receivable	9,425,932	8,014,717
Unbilled contracts in progress	1,190,195	2,312,098
Inventory	119,074	-
Prepaid expenses and deposits	554,868	462,109
Total current assets	27,515,441	16,187,701
Long term		
Long term investments (Note 1)	65,001	90,001
Capital assets (Note 2)	9,697,968	7,618,873
Intangible assets (Note 3)	22,760,971	20,431,860
Goodwill (Note 4)	11,863,976	9,199,108
Future income taxes	149,578	143,747
Total long term assets	44,537,494	37,483,589
Total Assets	\$ 72,052,935	\$ 53,671,290
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 5,644,547	\$ 5,325,928
Income taxes payable	1,036,917	2,238,543
Deferred revenue	3,554,044	3,838,463
Promissory notes (Note 5)	-	536,449
Capital lease obligations (Note 6)	293,343	292,466
Total current liabilities	10,528,851	12,231,849
Long term		
Promissory notes (Note 5)	-	2,597,339
Capital lease obligations (Note 6)	562,305	720,230
Future income taxes	7,287,187	6,566,056
Total liabilities	18,378,343	22,115,474
Shareholders' equity		
Share capital (Note 8)	48,354,284	27,403,594
Contributed surplus (Note 8)	1,800,821	1,320,461
Accumulated other comprehensive income	238,493	72,794
Retained earnings	3,280,994	2,758,967
Total shareholders' equity	53,674,592	31,555,816
Total Liabilities and Shareholders' Equity	\$ 72,052,935	\$ 53,671,290

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aeroquest International Limited

Consolidated Statement of Operations and Comprehensive Income Unaudited – Prepared by Management



For the period	Three months ended Mar. 31, 08	Three months ended Apr. 30, 07	Six months ended Mar. 31, 08	Six months ended Apr. 30, 07
Sales	\$ 13,294,277	\$ 5,936,703	\$ 24,490,818	\$ 10,034,587
Cost of sales	7,221,337	3,305,062	14,500,556	5,818,147
Gross profit	6,072,940	2,631,641	9,990,262	4,216,440
Expenses and other items				
General and administrative	2,330,573	1,209,228	4,211,136	2,043,370
Development expense	98,453	117,589	209,620	216,172
Foreign exchange (gain)/loss	24,313	154,272	(32,151)	124,883
Stock based compensation expense	173,208	91,476	555,963	91,476
Amortization of intangible assets	1,178,301	-	2,070,888	-
Depreciation of capital assets	654,838	277,444	1,166,471	547,079
Total operating expenses	4,459,686	1,850,009	8,181,927	3,022,980
Operating profit	1,613,254	781,632	1,808,335	1,193,460
Other costs (income) (Note 12)	(23,115)	(188,254)	(11,526)	(219,501)
Contract cancellations costs	-	202,500	-	270,000
Income before income taxes	1,636,369	767,386	1,819,861	1,142,961
Income taxes (Note 10)				
Current	1,161,718	408,147	1,598,918	573,293
Future	(340,930)	38,433	(715,300)	38,433
Total income tax	820,788	446,580	883,618	611,726
Net income for the period	\$ 815,581	\$ 320,806	\$ 936,243	\$ 531,235
Revaluation of long term investments to fair market value	(23,000)	-	(25,000)	-
Unrealized gain (loss) on translation of self-sustaining foreign operations	206,265	-	190,699	-
Total comprehensive income, for the period	\$ 998,846	\$ 320,806	\$ 1,101,942	\$ 531,235

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aeroquest International Limited

Consolidated Statements of Retained Earnings Unaudited – Prepared by Management



For the period	Three months ended Mar. 31, 08	Three months ended Apr. 30, 07	Six months ended Mar. 31, 08	Six months ended Apr. 30, 07
Retained earnings, beginning of period, as previously reported	\$ 2,674,783	\$ 625,455	\$ 2,758,967	\$ 260,054
Cumulative effect of change in accounting policy (Note 9)	-	54,995	-	209,967
Retained earnings, beginning of period, as restated	\$ 2,674,783	\$ 680,450	\$ 2,758,967	\$ 470,021
Excess of purchase price over cost on redemption of shares	(209,370)	(225,666)	(414,216)	(225,666)
Net income	815,581	320,806	936,243	531,235
Retained earnings, end of period	\$ 3,280,994	\$ 775,590	\$ 3,280,994	\$ 775,590
Earnings per share (Note 11)				
Basic	\$ 0.03	\$ 0.02	\$ 0.03	\$ 0.03
Fully diluted	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.03

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aeroquest International Limited

Consolidated Statements of Cash Flow Unaudited – Prepared by Management



For the period	Three months ended Mar. 31, 08	Three months ended Apr. 30, 07	Six months ended Mar. 31, 08	Six months ended Apr. 30, 07
Cash provided by (used in)				
Operating activities				
Net income for the period	\$ 815,581	\$ 320,806	\$ 936,243	\$ 531,235
Operating items not requiring cash				
Amortization of intangible assets	1,178,301	-	2,070,888	-
Depreciation of capital assets	654,838	277,444	1,166,471	547,079
Translation of self sustaining foreign operations	206,265	-	190,699	-
Future income taxes	(340,930)	38,433	(715,300)	38,433
Interest accretion on promissory notes	142,868	-	221,213	-
Stock based compensation	173,208	91,476	555,963	91,476
Write down of long term investment	-	110,000	-	110,000
Loss (Gain) on disposal of capital assets	(45,739)	7,377	(49,476)	7,377
Operating cash flow before changes in non-cash working capital	2,784,392	845,536	4,376,701	1,325,600
Accounts receivable	(3,626,098)	(265,503)	(1,391,557)	(432,147)
Prepaid expenses	139,132	(398,440)	(92,758)	(546,077)
Unbilled contracts in progress	954,319	129,874	1,121,903	(24,742)
Inventory	142,134	-	142,134	-
Accts. Payable and accrued liabilities	(2,059,911)	347,710	281,990	724,263
Income taxes	(1,151,404)	416,185	(1,201,626)	581,330
Deferred revenue	583,611	867,717	(284,419)	1,012,908
Total cash flow from operating activities	(2,233,825)	1,943,079	2,952,368	2,641,135
Investing activities				
Capital asset purchases	(1,708,993)	(951,720)	(2,940,662)	(1,208,685)
Loan receivable	-	41,850	-	44,250
Cash cost of acquisition (Note 4b)	(95,170)	-	(2,116,616)	-
Total cash flow from investing activities	(1,804,163)	(909,870)	(5,057,278)	(1,164,435)
Financing activities				
Promissory note payments	(5,337,600)	-	(5,337,600)	-
Capital lease payments	(70,604)	-	(229,059)	-
Aeroquest shares redeemed	(440,031)	(327,132)	(815,368)	(327,477)
Proceeds: issuance of common shares	18,677,574	138,750	19,313,532	138,750
Total cash flow from financing activities	12,829,339	(188,382)	12,931,505	(188,727)
Net change in cash and cash equivalents for the period	\$ 8,791,351	\$ 844,827	\$ 10,826,595	\$ 1,287,973
Cash and cash equivalents, beginning of period	7,434,021	3,861,208	5,398,777	3,418,062
Cash and cash equivalents, end of period	\$ 16,225,372	\$ 4,706,035	\$ 16,225,372	\$ 4,706,035

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Aeroquest International Limited

Consolidated Statements of Shareholders' Equity
 Unaudited – Prepared by Management
 For the six months ending March 31, 2008



	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comp. Income	Total Shareholders' Equity
Balance Sep. 30, '07	\$ 27,403,594	\$ 1,320,461	\$ 2,758,967	\$72,794	\$ 31,555,816
Aeroquest shares purchased for cancellation	(385,288)	(15,864)	(414,216)		(815,368)
Issuance of common shares for cash, net of expenses	18,532,367				18,532,367
Issuance of common shares on acquisition	1,962,708				1,962,708
Share issuances pursuant to restricted stock unit vesting	22,500	(22,500)			-
Share issuances pursuant to stock options exercised	149,195	(37,239)			111,956
Warrants exercised	669,208				669,208
Net income for the period			936,243		936,243
Stock based compensation expense		555,963			555,963
Unrealized gain on translation of self sustaining foreign operations				190,699	190,699
Revaluation of long term investments to fair market value				(25,000)	(25,000)
Balance Mar. 31 08	\$ 48,354,284	\$ 1,800,821	\$ 3,280,994	\$ 238,493	\$ 53,674,592

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.