

AEROQUEST INTERNATIONAL LIMITED (TSX-V:AQL)
Releases financial results
For the nine months ended January 31, 2007.

- *Quarterly Revenue of \$4.4 million, up over 150% from last year*
- *Quarterly Operating Profit of \$0.6 million*
- *Quarterly Net Income of \$0.4 million or \$0.02 per share*

Mississauga, Ontario, March 8, 2007

Aeroquest International Limited, a world leader in the development and operation of airborne geophysical surveying platforms today reported financial results for the third quarter ended January 31, 2007, a copy of which has been filed on SEDAR at www.sedar.com and is also available on the Company's website at www.aeroquest.ca.

Revenue in the quarter was \$4.4 million, up 151%, or \$2.7 million, from the same period last year. Revenue was broadly based, including revenue from Canada, Russia, Europe and Mexico, and included revenue from surveys targeting gold, diamonds, and base metals discoveries. The Company completed 18 contracts during the quarter and flew over 25,000 line kilometres.

Cost of sales was \$2.7 million, up \$1.9 million from the same period last year. Cost of sales percentage was 60.7% as compared to 46.8% in the same period last year. Cost of sales in the quarter was negatively affected by certain one-time costs, principally related to pilot training associated with the Company's entry into the Mexican market. Gross margin was \$1.7 million, up 85% from \$0.9 million in the same period last year.

"We are very happy with our third quarter revenue performance", said Roy Graydon, President & CEO of Aeroquest: "While our gross margin percentage was below our expectations, the one-time costs we incurred during the quarter in establishing operations in Mexico will pay substantial dividends in future quarters. We expect a return to gross margins in the range of 45% of revenue in the next quarter."

Total operating costs were \$1.1 million in the quarter, up \$0.1 million or 12%, from the same period last year. Operating costs totaled 26% of revenue as compared to 59% of revenue in the same quarter last year. Development and general and administrative costs together were \$0.9 million in the quarter, up 11% from the same quarter last year, while amortization costs were up 17% over the same period. Operating profit was \$0.6 million, or 13% of revenue. This is a \$0.7 million increase from the operating loss of \$0.1 million in the same period last year.

Net income for the quarter was \$0.4 million, or \$0.02 per share, as compared to a loss of \$0.08 million, or (\$0.005) per share in the same period last year. The Company's results include a provision for income taxes in the amount of \$0.2 million for the quarter.

During the quarter, the Company generated \$0.7 million in cash flow from operating activities; \$0.6 million from operations, and \$0.1 million from positives changes in non-cash working capital.

Capital expenditures for the quarter were \$0.3 million, or 6% of revenue. Capital expenditures continue to be focused on building and deploying more helicopter-borne geophysical survey systems, including more AeroTEM™, time domain EM systems. In the quarter, the Company completed its first commercial survey with its newest AeroTEM III™ system and began

construction on three more systems, two new AeroTEM™ systems and one new Impulse™, frequency domain system.

During the quarter, the Company also purchased for cancellation 5,000 shares at an average price of \$0.65 under its Normal Course Issuer Bid announced on September 29, 2006.

Cash balances at quarter-end stood at \$3.9 million, up from \$2.5 million at the latest year-end and up from \$3.4 million in the previous quarter.

On a nine month basis, revenue was \$14.4 million, a 124% increase over the same period last year. Gross margin year-to-date was \$6.6 million, or 46% of revenue, as compared to \$2.4 million, or 37% of revenue last year. Operating profit in the nine month period just ended was \$2.8 million or 19% of revenue, while net income for the period was \$1.7 million, or \$0.11 per share.

The Company finished the quarter with a contract backlog of approximately \$3.5 million. This number is expected to grow throughout the fourth quarter as the Canadian exploration season begins in earnest.

At quarter-end, the Company's fleet was comprised of six AeroTEM™ systems, one Impulse™ system, and two Heli-TAG™, tri-axial magnetic gradiometers.

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.

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