

AEROQUEST INTERNATIONAL LIMITED (TSX-V:AQL)
Releases preliminary, selected financial results
For the three months ended July 31, 2006.
Announces the addition of two new board members

- *Record quarterly revenue of \$4.2 million*
- *2007 Contract backlog hits record high of \$6.2 million*
- *Cash balance improves to \$3.2 million, up \$700,000 in the quarter*

Milton, Ontario, August 18, 2006

Aeroquest International Limited (“Aeroquest”), a world leader in the development and operation of innovative and proprietary airborne geophysical surveying platforms servicing the mineral exploration, oil and gas, and environmental industries, today reported preliminary selected financial results for the first quarter ended July 31, 2006.

- Revenue for the quarter was a record \$4.2 million, an increase of 51% from the same quarter last year, and 57% from the last quarter;
- The backlog of contracted, but not flown, survey work has also reached record levels and now sits at \$6.2 million, up from \$2.6 million at year-end. Aeroquest expects to fly much of its current backlog in the second quarter of 2007;
- The Company’s financial position continues to improve with no long-term debt and a cash balance that now sits at \$3.2 million, up from \$2.5 million at year-end.

“Because of the significant and positive change in the financial and operating performance of the Company, we felt it was important to make shareholders aware of these developments on a timely basis”, said Roy Graydon, Aeroquest’s CEO: “We are now seeing the effects of the Company’s efforts to refocus its business and improve its operations, and we expect to deliver a strong and profitable 2007.”

The Company will release its full first quarter results on September 14, 2006.

Aeroquest is also pleased to announce the addition of Mr. John Barker and Dr. Gordon West to its board of directors. Mr. Barker is a CMA by training and a seasoned finance executive with many years of finance and administrative experience, and who was most recently Senior Vice President and CFO of Zenon Environmental Inc., a TSX-listed company. Dr. West is a professor emeritus of the Geophysics group of the University of Toronto’s Department of Physics, and a past recipient of the J Tuzo Wilson Medal of the Canadian Geophysical Union and the Maurice Ewing Medal of the Society of Exploration Geophysicists for his career contributions to geophysics.

“We are very pleased to have professionals of the caliber of Mr Barker and Dr. West join our board of directors,” said Wally Boyko, Chairman of Aeroquest: “Both have direct and relevant experience in issues of importance to our company and we welcome them enthusiastically.”

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 with the Ontario Securities Commission and SEDAR.

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

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