

AEROQUEST INTERNATIONAL LIMITED (TSX-V:AQL)
Announces financial results
For the six months ended October 31, 2005

Milton, Ontario, December 15, 2005

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 financial results for the second quarter ended October 31, 2005, a copy of which is available on the Company’s website at www.aeroquestsurveys.com, and on SEDAR at www.sedar.com.

Consolidated revenue for the three month period ended October 31, 2005 was \$1.87 million, while net income after tax was \$(0.52) million. Year to date revenue was \$4.67 million and year to date net income was \$(0.85) million.

Quarterly revenue decreased by 35% over the same period in 2004. However, year to date revenue was up 6% from the same period last year. In general, second quarter revenue was impacted by a slower exploration environment in Canada.

Quarterly gross margin declined substantially to 39% from 50% a year ago. This reduced operational efficiency was as a result of having to use larger, more costly helicopters to fly larger diameter systems and as a consequence of flying a larger number of smaller surveys. These large diameter systems are significantly more powerful than smaller systems and the Company is in the process of constructing two new large diameter systems that are significantly lighter and that will be flown by smaller, less expensive helicopters. We expect that this should result in an improved gross margin going forward.

General and administrative expenses for the second quarter were \$0.72 million, up from \$0.49 million in the same quarter last year. This increase was in response to an increase in the number of surveys flown and Aeroquest’s focus on building a base of experienced personnel to allow it to prepare for expansion. The Company is now well prepared to address opportunities using AeroTEM, such as the search for unexploded ordnance (UXO) and the search for oil and gas, as well as continuing its previously articulated strategy of pursuing international contracts. The Company is now pursuing opportunities in China, Russia, India, Africa, Indonesia, the Philippines, Mexico, and South America.

Development expenses increased to \$0.27 million from \$0.11 million in the second quarter of last year and are up to \$0.57 million from \$0.19 million over the year to date. These expenses have been incurred to develop and commercialize new AeroTEM systems and to establish our presence in new markets.

As a consequence of the decreased revenue and increased expenses, including one-time expenses, Aeroquest recorded a loss of \$0.52 million for the quarter and a loss of \$0.85 million for the year to date.

During the quarter, Aeroquest made a number of changes to its senior executive ranks and reorganized certain processes and functions. These changes resulted in one-time

charges totaling \$0.34 million. Aeroquest believes that this amount is sufficient to cover all of the costs of the reorganization.

As a part of this change, the Company has appointed Roy Graydon as CEO, effective November 10, 2005. "I am thrilled to have the opportunity to take over the direction of Aeroquest," Mr. Graydon stated. "We have best-in-class technology and we have been working on making it better. In addition, the investments we have made in seeding the international market are starting to pay off, and over the winter we will be testing the application of AeroTEM II and IV to the UXO and oil and gas markets respectively."

Aeroquest's consolidated balance sheet remains strong with net working capital of \$3.0 million, including cash of \$2.1 million. Aeroquest's capital expenditures are expected to decrease substantially in the next few quarters as systems are now available to meet demand.

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 the release.

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