

Attention business/financial editors and reporters:

**AEROQUEST INTERNATIONAL LIMITED (TSX-V:AQL)
Announces the Closing of the Acquisition of UTS Geophysics**

Mississauga, ON – July 3, 2007 - Aeroquest International Limited today announced the successful completion of the acquisition of Universal Tracking Systems Pty Ltd. (UTS) previously announced on May 1, 2007. Aeroquest International executed the Share Purchase Agreement and completed the transaction with the shareholders of UTS, being Neil Goodey, Nino Tufilli, Bluekara Pty Ltd, Fineshore Pty Ltd, Cleary Nominees Pty Ltd and David Abbott, earlier today in Australia.

“We are very pleased to welcome the employees and customers of UTS into the Aeroquest Group of Companies.” said Roy Graydon, President & CEO of Aeroquest; “Together, our companies can now offer a full range of airborne geophysical solutions to our clients around the world.”

UTS is a specialist in ultra-high resolution magnetic, radiometric and gravimetric fixed wing surveys. Operating a fleet of 12 aircraft, its clients are located in Australia, Africa, S.E. Asia, and Canada. UTS has experienced significant growth in the last two fiscal years. Aeroquest will begin consolidating the operations of UTS effective the date of closing, July 3, 2007.

The purchase price consideration for the shares of UTS consisted of \$8.7 million of cash, \$3.35 million of Promissory Notes, and 6.8 million common shares of Aeroquest International. UTS will continue to operate under the trade name “UTS Geophysics” and the three most senior officers of UTS, Messrs Neil Goodey, Nino Tufilli and David Abbott, have each signed four year Executive Service Contracts with UTS and will continue to oversee the operations of UTS after closing.

“The appeal of joining the Aeroquest Group has always been the opportunity of what our two firms could accomplish together”; stated Neil Goodey, the Managing Director of UTS, who became Chief Operating Officer of Aeroquest International at Closing; “For us at UTS, this has always been about finding the right partner for our business and we’re sure we have found that partner in Aeroquest”.

In connection with the Closing, Mr. Wally Boyko has resigned as Chairman of Aeroquest International, and he and Dr. Norman Paterson have resigned from the board of Aeroquest International. The Share Purchase Agreement contemplates that Mr. Goodey and Mr. Tufilli will be named to the board as their replacements shortly after Closing.

“Wally and Norm have provided many years of invaluable service to Aeroquest and to its board of directors”; said Keith Morrison, who will assume the role of Chairman of Aeroquest International, “Aeroquest is and will always be deeply in their debt for the contributions they have made, and their wisdom and presence at board meetings will be missed.”

Further to Aeroquest International's press release on May 30, 2007, a portion of the consideration paid came from Aeroquest's previously announced Brokered Private Placement of Subscription Receipts. In accordance with their terms, the 4,500,000 Subscription Receipts were exchanged on Closing into 4,500,000 common shares and 2,250,000 common share purchase warrants of Aeroquest International and the gross proceeds of \$7,650,000 were released from escrow. Each common shares purchase warrant is exercisable for an additional common share at a price of \$2.45 until *, 2009. The common shares issued under this Brokered Private Placement have a statutory hold period expiring **, 2007 and the common shares issued to the shareholders of UTS have a statutory hold period expiring **, 2007.

Following the issuance of the 4,500,000 common shares pursuant to the Subscription Receipts and the issuance of the 6,800,000 common shares pursuant to the acquisition of UTS, Aeroquest International will have 27,162,773 common shares issued and outstanding. At Closing, Messrs Neil Goodey and Nino Tufilli will each beneficially own or control 2,770,576 common shares of Aeroquest International, representing approximately 10.2% of the issued and outstanding common shares of Aeroquest International.

About Aeroquest International Limited

Aeroquest International Limited is 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. More information about Aeroquest can be found at www.aeroquest.ca. More information on UTS Geophysics can be found a www.uts.com.au

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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