

## NEWS RELEASE

**Attention business/financial editors and reporters:**

**AEROQUEST INTERNATIONAL LIMITED (TSX-V: AQL)  
Announces revenue for the three and nine months ended June 30, 2008 and provides  
outlook for the balance of fiscal 2008**

**Mississauga, ON** – July 17, 2008 - Aeroquest International Limited today reported preliminary revenue results for the three and nine month periods ended June 30, 2008 and provided an outlook to the end of fiscal 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 periods used in this report are for the three and nine month periods ending July 31, 2007.

Consolidated revenue for the three months ended June 30, 2008 reached a record high \$14.5 million, an increase of \$5.1 million or 54% over the most comparable period last year and up \$1.2 million or 9% over consolidated revenue for the second quarter of 2008. Revenue from helicopter operations contributed \$6.8 million in the quarter, while revenue from fixed wing operations totaled \$7.4 million in the quarter. Other revenue totaled \$0.3 million. For the nine months ended June 30, 2008, consolidated revenue was \$39.0 million, up from \$19.7 million in the most comparable nine month period last year, an increase of \$19.3 million or 98%.

“While our third quarter revenue was a new record high revenue for the Aeroquest Group, it fell short of our expectations in an important respect” said Roy Graydon, President & CEO of Aeroquest; “Our helicopter operations were not as productive as we expected them to be in the quarter. However, we expect revenue from helicopter operations to strengthen in the fourth quarter.”

The Company has been deploying its helicopter systems internationally over the past several months in response to increased demand for its services outside Canada. For example, at quarter-end, Aeroquest had AeroTEM™ helicopter systems actively surveying in, or mobilizing to, seven different countries around the world. Delays in commencing surveys in several countries had a negative effect on overall helicopter productivity and contributed to lower than expected revenue from these systems. Gross margins remain in the range of those reported in previous quarters.

### **Outlook**

Contract backlog at quarter-end was \$17 million. The backlog and fleet status position the Company for a strong final quarter for the year. Aeroquest expects revenue in the fourth quarter to be in the range of \$16 to \$18 million, resulting in full year revenue in the range of \$55 to \$57 million. Gross margins in the fourth quarter are expected to be consistent with previous quarters in 2008.

Aeroquest added four net new systems to the fleet in the third quarter and begins the fourth quarter with a total of 27 airborne systems. The Company activated two new fixed wing system

and three new helicopter systems in the quarter. The Company also took one helicopter system in Russia offline permanently as it was damaged beyond repair during a recent survey.

In the fourth quarter, the Company expects to add another three helicopter systems.

**Aeroquest Fleet Summary – June 30, 2008**

		Helicopter	Fixed wing	Total
AeroTEM		11		11
Impulse/GEM-2A		2		2
Magnetics	single sensor	2	5	7
	multi-sensor	1	6	7
<b>Total</b>		<b>16</b>	<b>11</b>	<b>27</b>

Aeroquest intends to release its full third quarter financial report after the market close on August 13, 2008 and will schedule a conference call for investors on August 14, 2008. Details of the call will be provided approximately a week before the release of results.

*About Aeroquest International*

Aeroquest International is a global geoscience services organization providing airborne geophysical technologies and services, including the latest in airborne data acquisition, processing and interpretation services, to the resource, energy and environmental sectors. Directly, and through its sister companies UTS Geophysics and Geophex, Aeroquest fields a fleet of over two dozen helicopter and fixed wing systems and is active around the world. More information about Aeroquest can be found at [www.aeroquest.ca](http://www.aeroquest.ca). More information on UTS Geophysics can be found at [www.uts.com.au](http://www.uts.com.au). More information on Geophex can be found at [www.geophex.com](http://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.*

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