

NEWS RELEASE

Attention business/financial editors and reporters:

**AEROQUEST INTERNATIONAL LIMITED (TSX:AQL)
Announces financial results for the three and twelve months ended September 30, 2009**

- *Revenue of \$5.1 million, up from \$3.7 million in Q3*
- *Contract backlog at year-end of \$10.9 million – including \$6.7 million from newly acquired Optimal Geomatics.*
- *Net loss of \$4.7 million in the quarter, or \$0.14 per share includes goodwill & intangible impairment charge of \$2.9 million.*

Mississauga, ON – December 9, 2009 - Aeroquest International Limited today reported financial results for the three and twelve months ended September 30, 2009. The results reflect an improvement over the extraordinarily weak results in the third quarter but also are indicative of the ongoing challenges associated with the current market uncertainty and its impact on the mineral and petroleum exploration sectors.

“Few people will lament the passing of 2009 and we are no exception.” said Roy Graydon, President & CEO of Aeroquest. “However, we are cautiously optimistic looking into 2010 that the contraction in our industry has ended. A recent increase in helicopter based activity associated with the calendar year-end, combined with some important new contracts in North Africa, should see us through the winter into what is hopefully a greatly improved exploration market in 2010.”

Consolidated revenue for the three months ended September 30, 2009 was \$5.1 million, a decrease of \$10.9 million or 53 percent from the fourth quarter last year. Revenue from helicopter operations contributed \$0.8 million in the quarter, a decline of \$6.3 million or 89 percent from the second quarter last year. Revenue from fixed wing operations was \$4.1 million, a decline of \$4.2 million or 50 percent over the third quarter of last year. Other revenue was \$0.2 million.

As was the case with the third quarter, a decline in helicopter revenue was the biggest contributor to overall decline. Helicopter surveys, being generally more expensive on a per line kilometer basis, are normally the first type of airborne surveys to be negatively affected in a downturn such as the one that currently exists.

Contract backlog in geophysics surveys decreased as expected in the fourth quarter and sits at \$4.2 million at September 30. This backlog is composed of \$1.1 million in helicopter backlog, \$2.7 million in fixed wing backlog, and \$0.4 million in other backlog. In addition, the Company picked up \$6.7 million in backlog related to the Optimal Geomatics business.

Helicopter gross profit declined to negative 14 per cent from a positive 21 percent of revenue in the fourth quarter last year due to fixed costs in cost of sales impacting against the reduced revenue.

Fixed wing gross profit in the quarter was 29 percent compared to 37 percent of revenue in the fourth quarter last year. This level is below expectations, given the level of fixed wing activity

in the period but is in improvement over the 19 per cent gross profit level reported in the third quarter of this year.

Overall Company gross profit in the quarter was \$1.1 million, or 21 percent of revenue compared to \$5.1 million or 32 percent of revenue in the fourth quarter last year.

EBITDA¹ in the quarter was negative \$1.3 million compared with EBITDA of \$3.6 million in the fourth quarter last year. As previously announced, the Company initiated a third round of cost cutting measures in July including additional headcount reductions and reductions to senior management salaries. The Company estimates that the ongoing cost savings associated with this and other downsizings earlier in the fiscal year will be at least \$3.5 million annually.

Depreciation, amortization, goodwill and intangible asset impairment charges total \$4.9 million, compared with total depreciation and amortization charges of \$1.5 million in the fourth quarter of fiscal 2008. The increase in this non-cash charge over last year is primarily due the decision to phase out the UTS trade name (and resulting charge to the intangible asset) as well as an assessment of the Geophex goodwill in aggregate that resulted in an impairment charge to earnings totaling \$2.9 million in the fourth quarter.

Net loss in the quarter was \$4.7 million, or \$0.14 per share, compared to net earnings of \$1.6 million or \$0.05 per share in the fourth quarter last year.

Operating cash flow before changes in working capital was negative \$1.3 million or \$0.03 per share compared with positive \$3.0 million or \$0.09 in the fourth quarter last year. Changes in non-cash working capital, consumed \$0.4 million in the quarter resulting in total cash flow from operations at negative \$1.7 million.

Capital expenditures totaled less than \$0.1 million in the quarter reflecting efforts to reduce cash outflows moving forward into the 2010 fiscal year.

Outlook – Q1 – fiscal 2010

Given the ongoing market uncertainty and its impact on worldwide exploration in the mining and petroleum industries, the Company has found that it is difficult to provide revenue guidance with a reasonable degree of certainty. However, contract backlog at the yearend totaled \$10.9 million and has increased to approximately \$12.9 million as of the first week of December. In the first quarter of fiscal 2010, the Company received contracts for a number of helicopter surveys in Canada totaling in excess of \$1 million; and adding to the \$1 million of helicopter survey backlog at September 30. In addition, the Company believes that it will shortly be awarded several large fixed wing surveys in North Africa, principally in Egypt and Libya. These surveys, which could total in excess of \$5 million, would, if signed, be flown in the second and third quarters of fiscal 2010. The Company cautions that these contracts have not yet been signed, and there can be no guarantee that they will be signed; therefore these North African opportunities do not form part of the Company's reported backlog.

¹ EBITDA stands for earnings before interest, taxes, depreciation and amortization. It is a financial metric used to analyze operating results. The Company defines EBITDA as revenue less cost of sales, cash operating costs (general and administrative expenses as well as foreign currency gains/losses) and stock-based compensation expense. It is not a standard measure under Generally Accepted Accounting Principles and as such EBITDA as calculated may not be comparable to similarly titled amounts reported by other companies.

The Company is cautiously optimistic that the worst of the negative impact on its target markets is ending and exploration spending is set for a gradual improvement in 2010.

Acquisition of Optimal Geomatics Inc.

As previously announced, the Company completed the acquisition of Optimal Geomatics, Inc. on September 30, 2009. Optimal shareholders received 1 common share of Aeroquest for each 21 common shares of Optimal owned and resulted in the Company issuing approximately 2.9 million common shares to Optimal shareholders. Results of Optimal operations will begin to be reported by the Company in the first quarter of its 2010 fiscal year.

The integration of Optimal and the continued integration of Aeroquest's other business units will continue in the 2010 fiscal year.

Analyst Conference Call

Aeroquest International will hold a Q4 2009 conference call at 11:00 a.m. ET on Thursday, December 10, 2009. On the conference call management will review Aeroquest's results for the quarter and year ended September 30, 2009. The scheduled speakers for the Company on the conference call are: Roy Graydon, President and Chief Executive Officer, and Bob Motz, Chief Financial Officer.

Interested parties can access the conference call by dialing from North America 1-866-696-5910. The international or local dial-in number is 416-340-2217. In both cases, please enter passcode 7405225. Please dial in approximately five minutes prior to the start time.

A replay service will be available from two hours following the conference call until midnight on December 24, 2009. To access this recording, dial 1-800-408-3053 or 1-416-695-5800 and enter passcode 1882867.

About Aeroquest International

Aeroquest International is a global information and technology services company and a leader in the development and operation of airborne geophysics and geomatics survey platforms for the mineral and petroleum exploration, and environmental and infrastructure industries. Through its subsidiary companies Aeroquest Surveys, UTS/Aeroquest, Geophex and Optimal Geomatics, Aeroquest International fields a fleet of 30 helicopter and fixed wing survey systems and is active around the world. More information about Aeroquest International can be found at www.aeroquest.ca.

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.

For further information, please contact Roy Graydon, President & Chief Executive Officer (rgraydon@aeroquest.ca), 905-672-9129

**AEROQUEST INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET**

	Sep. 30, 09	Sep. 30, 2008
Assets		
Current		
Cash and cash equivalents	\$ 6,145,782	\$ 15,373,132
Accounts receivable	5,870,328	8,640,293
Income tax recoverable	2,196,916	-
Unbilled contracts in progress	723,008	2,169,861
Inventory	342,012	132,853
Prepaid expenses and deposits	1,564,357	640,875
Total current assets	<u>\$ 16,842,403</u>	<u>\$ 26,957,014</u>
Long term		
Long term investments	\$ 99,521	\$ 30,501
Capital assets	12,426,652	10,890,000
Intangible assets	16,275,187	19,847,842
Goodwill	11,408,513	11,662,115
Future income taxes	687,907	152,584
Total long term assets	<u>\$ 40,897,780</u>	<u>\$ 42,583,042</u>
Total Assets	<u>\$ 57,740,183</u>	<u>\$ 69,540,056</u>
 Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 4,783,426	\$ 5,946,706
Income taxes payable	0	1,083,701
Deferred revenue	910,429	3,274,382
Capital lease obligations	543,874	321,426
Total current liabilities	<u>\$ 6,237,729</u>	<u>\$ 10,626,215</u>
Long term		
Capital lease obligations	223,815	469,575
Future income taxes	5,113,055	6,640,227
Total Liabilities	<u>\$ 11,574,599</u>	<u>\$ 17,736,017</u>
 Shareholders' equity		
Share capital	\$ 48,084,479	\$ 46,506,445
Contributed surplus	2,479,824	2,411,281
Accumulated other comprehensive income	1,490,428	(1,794,758)
Retained earnings	(5,889,147)	4,681,071
Total shareholders' equity	<u>46,165,584</u>	<u>51,804,039</u>
Total Liabilities and Shareholders' Equity	<u>\$ 57,740,183</u>	<u>\$ 69,540,056</u>

AEROQUEST INTERNATIONAL LIMITED

	Three months ended		Year ended	
	Sep. 30, 09	Sep. 30, 08	Sep. 30, 09	Sep. 30, 08
Sales	\$ 5,099,804	\$ 16,017,713	\$ 28,011,967	\$ 55,045,575
Cost of sales	4,041,637	10,916,963	20,338,937	34,350,797
Gross profit	<u>\$ 1,058,167</u>	<u>\$ 5,100,750</u>	<u>\$ 7,673,030</u>	<u>\$ 20,694,778</u>
Expenses and other items				
General and administrative	\$ 2,116,494	\$ 2,706,556	\$ 11,844,837	\$ 9,441,905
Foreign exchange (gain)/loss	308,137	(1,162,423)	(231,968)	(1,058,633)
Stock based compensation expense	108,371	230,621	456,437	959,792
Amortization of intangible assets	1,074,987	808,858	3,492,777	4,035,412
Impairment of goodwill and intangible assets	2,879,936	-	2,879,936	-
Depreciation of capital assets	931,964	739,343	3,899,812	2,813,564
Total operating expenses	<u>\$ 7,419,889</u>	<u>\$ 3,076,398</u>	<u>\$ 22,341,831</u>	<u>\$ 16,272,120</u>
Operating profit	\$ (6,361,722)	\$ 2,024,352	\$ (14,668,801)	\$ 4,422,658
Other costs (income)	(67,668)	38,082	(67,668)	(84,389)
Interest Income	139,050	(453,756)	(59,101)	(453,756)
Interest Expense	(51,973)	314,079	-	314,079
Income before income taxes	<u>\$ (6,381,131)</u>	<u>\$ 2,125,947</u>	<u>\$ (14,542,032)</u>	<u>\$ 4,646,724</u>
Income taxes				
Current	\$ (68,122)	\$ 822,696	\$ (1,488,221)	\$ 3,173,394
Future	(1,656,420)	(299,488)	(2,431,507)	(1,369,775)
Total Income taxes	<u>\$ (1,724,542)</u>	<u>\$ 523,208</u>	<u>\$ (3,919,728)</u>	<u>\$ 1,803,619</u>
Net income for the period	<u>\$ (4,656,589)</u>	<u>\$ 1,602,739</u>	<u>\$ (10,622,304)</u>	<u>\$ 2,843,105</u>
Earnings per share				
Basic	-\$0.14	\$0.05	-\$0.32	\$0.09
Diluted	-\$0.13	\$0.05	-\$0.31	\$0.09

**AEROQUEST INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOW**

	Three months ended		Year ended	
	Sep. 30, 09	Sep. 30, 08	Sep. 30, 09	Sep. 30, 08
Cash provided by (used in)				
Operating activities				
Net income for the period	\$ (4,656,589)	\$ 1,602,739	\$ (10,622,304)	\$ 2,843,105
Operating items not requiring cash				
Depreciation of capital assets	1,074,987	808,858	3,492,777	4,035,412
Amortization of intangible assets	931,964	739,343	3,899,812	2,813,564
Impairment of goodwill and intangible assets	2,879,936	-	2,879,936	-
Future income taxes	(1,656,420)	(299,488)	(2,431,507)	(1,369,775)
Interest accretion on promissory notes	-	-	-	221,213
Stock based compensation	108,371	230,621	456,437	959,792
Write down of long term investment	-	-	-	-
Loss on disposal of capital assets	-	186,390	-	50,639
Operating cash flow before changes in non-cash working capital	\$ (1,317,751)	\$ 3,005,699	\$ (2,324,849)	\$ 9,553,950
Changes in non cash working capital	(360,272)	(830,199)	(2,348,909)	(1,648,864)
Total cash flow from operating activities	\$ (1,678,023)	\$ 2,175,500	\$ (4,673,758)	\$ 7,905,086
Investing activities				
Capital asset purchases	\$ (8,824)	\$ (2,015,926)	\$ (4,149,488)	\$ (7,073,194)
Proceeds from sale of equipment	-	167,930	-	588,980
Long term investments acquired	(17,946)	-	(53,844)	-
Cash cost of acquisition	(65,407)	(6,900)	(65,407)	(2,157,641)
Total cash flow from investing activities	\$ (92,116)	\$ (1,854,896)	\$ (4,268,739)	\$ (8,641,855)
Financing activities				
Promissory note payments	\$ -	\$ -	\$ -	\$ (5,337,600)
Capital lease payments	(85,092)	(27,549)	(270,133)	(301,448)
Aeroquest shares redeemed	(1)	(1,871,325)	(56,815)	(3,297,975)
Proceeds from issuance of common shares	(5)	-	42,095	19,648,147
Total cash flow from financing activities	\$ (85,098)	\$ (1,898,874)	\$ (284,853)	\$ 10,711,124
Net change in cash / cash equivalents for the period	\$ (1,855,237)	\$ (1,578,270)	\$ (9,227,350)	\$ 9,974,355
Cash and cash equivalents, beginning of period	8,001,019	16,951,402	15,373,132	5,398,777
Cash and cash equivalents, end of period	\$ 6,145,782	\$ 15,373,132	\$ 6,145,782	\$ 15,373,132

**AEROQUEST INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**

	Three months ended		Year ended	
	Sep. 30, 09	Sep. 30, 08	Sep. 30, 09	Sep. 30, 08
Retained earnings (deficit), beginning of period	\$ (1,232,558)	\$ 3,373,950	\$ 4,681,071	\$ 2,758,967
Excess of purchase price over cost on redemption of shares	\$ -	\$ (295,618)	\$ 52,086	\$ (921,001)
Net income	(4,656,589)	1,602,739	(10,622,304)	2,843,105
Retained earnings, end of period	\$ (5,889,147)	\$ 4,681,071	\$ (5,889,147)	\$ 4,681,071

**AEROQUEST INTERNATIONAL LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Three months ended		Year ended	
	Sep. 30, 09	Sep. 30, 08	Sep. 30, 09	Sep. 30, 08
Net income for the period	\$ (4,656,589)	\$ 1,602,739	\$ (10,622,304)	\$ 2,843,105
Revaluation of long term investments to fair market value	(53,461)	(10,080)	15,176	(38,080)
Unrealized gain/(loss) on translation of self-sustaining foreign operations	247,707	(1,609,632)	3,270,010	(1,219,403)
Total Other Comprehensive Income (loss)	\$ 194,246	\$ (1,257,483)	\$ 3,285,186	\$ (1,257,483)
Total comprehensive income, for the period	\$ (4,462,343)	\$ (16,973)	\$ (7,337,118)	\$ 1,585,622