

## NEWS RELEASE

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

### **AEROQUEST INTERNATIONAL LIMITED (TSX: AQL) Announces preliminary third quarter financial results**

**Mississauga, ON** –July 29, 2009 –Aeroquest International Limited (TSX: AQL) announces preliminary results for the three and nine month periods ended June 30, 2009.

“Our third quarter came in well below our expectations,” said Roy Graydon, President and CEO of Aeroquest International; “our markets continued to be very quiet in April, May and June as the effects of the global recession continue to introduce significant uncertainty among our client base about the magnitude and timing of their exploration expenditures.”

Revenue for the third quarter is expected to be \$3.7 million, significantly below the \$14.5 million recorded in Q3 of 2008, and below Management’s guidance of \$6 million to \$10 million. Year to date, revenue is expected to be \$22.9 million, down 41% from the \$39.0 million recorded in the nine months ended June 30, 2008. The shortfall in the quarter was a combination of two events, the first being the continued slowdown of work for the Company’s helicopter-based systems. Helicopter-based revenue was approximately \$0.3 million for the quarter, down from the \$7.2 million of the same quarter last year, and down from \$1.6 million last quarter.

Fixed wing revenue is estimated to be \$2.9 million for the quarter, down from \$7.0 million in the same quarter of last year and down from \$5.9 million last quarter. Fixed wing operations suffered, particularly in June, from the effects of start-up problems on surveys awarded in Australia. The Company expects to return to higher levels of quarterly fixed wing revenue now that these projects have commenced.

Contract backlog at quarter-end is expected to come in around \$6.6 million, down from the \$8.0 million at March 31, 2009. However, the Company has noticed an appreciable increase in quoting and in contracts awarded in the month of July with the result that, at July 28, 2009, contract backlog stood at \$8.5 million.

“We are cautiously encouraged by this most recent increase in activity and hope that it is the harbinger of the return of normal markets to our business.” continued Mr. Graydon; “While we are hopeful that this is the case, the Company has also implemented ongoing reviews of expenditures to identify additional opportunities to conserve capital. As part of this effort, each of the members of the Senior Management group at Aeroquest has volunteered to accept a 10% reduction in base salary for the next year to assist with the Company’s efforts to reduce expenses.”

As a result of the reduced revenue, the Company expects that it will record a sizeable loss in the quarter.

The Company’s cash balance at quarter-end was \$8.0 million, down from \$10.4 million at the quarter-end in March.

“We used more cash than we expected in the quarter as revenue in the quarter was simply insufficient to cover the fixed costs of the business”, stated Robert Motz, the Company’s Chief

Financial Officer; “The Company’s efforts today are focused on continuing to reduce costs as it continues to pursue ways to increase revenue.”

The Company does expect an increase in revenue in future quarters resulting from the increased Contract backlog at July 28 (discussed above) and ongoing quoting activity.

“We hope that Q3, 2009 represents the bottom of the market for us and our clients”; continued Mr. Graydon; “The fundamentals for minerals and petroleum show signs of persistent stability and recovery, quoting volumes have increased, backlog has increased, and this can only lead to return to increased levels of exploration expenditures in coming quarters.”

As disclosed in its press release dated July 23, 2009, the Company anticipates filing its third quarter results prior to the opening of markets on August 6, 2009 and will hold an Investor Conference at 11:00 a.m. (EST) that day to discuss these results and also to discuss the recently announced Optimal Geomatics transaction (Press release dated July 29, 2009).

### **About Aeroquest International**

Aeroquest International is a global information and technology services company and a leader in the development and operation of innovative and proprietary geophysical surveying platforms for the mineral and petroleum exploration, and environmental services industries. Through its subsidiary companies Aeroquest Surveys, UTS Geophysics and Geophex, Aeroquest International fields a fleet of over two dozen helicopter and fixed wing survey systems and is active around the world. More information about Aeroquest International can be found at [www.aeroquest.ca](http://www.aeroquest.ca).

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