

28 June 2016

ASX Release

EXPLORATION DEVELOPMENT INCENTIVE SCHEME

AusQuest Limited (ASX code: AQD) is pleased to advise that exploration credits will be distributed to eligible shareholders through the Federal Government's Exploration Development Incentive Scheme (EDI).

The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia by allowing companies to distribute a portion of their tax losses to shareholders as tax credits.

Based on advice from the Australian Taxation Office (ATO), who administer the EDI, 30% of all eligible greenfield exploration expenditure for the 2014-2015 financial year, can be distributed by the Company to eligible shareholders.

This means that EDI taxation credits totalling \$76,879 will be distributed on a pro-rata basis to shareholders with shares held as at 30th May 2016 (record date), who are resident in Australia, for use as a tax credit for the 2015-16 financial year.

This benefit equates to 0.0154 cents per share held on the record date, and will be issued to eligible shareholders on the 28th June 2016.

Further information on the EDI can be located on the ATO's website using the following link:

<https://www.ato.gov.au/Business/Exploration-Development-Incentive/>

Graeme Drew
Managing Director