FURTHER EXPLORATION SUCCESS AT THE HARDEY BEDDED IRON ORE PROJECT

Highlights

- **Significant widths of high-grade, bedded iron ore mineralisation intercepted**
- **Strong potential for a significant increase in the Hardey Bedded Iron Deposit resource**
- **Better intercepts include:**

  82m @ 59.96% Fe from 12m in HARC142;

  122m @ 62.49% Fe from 0m in HARC145;

  162m @ 65.01% Fe from 52m in HARC148;

  78m @ 63.15% Fe from 2m in HARC168; and

  70m @ 64.11% Fe from 2m in HARC169.

Figure 1 – Hardey Bedded Iron Deposit

Aquila Resources Limited (ASX:AQA "Aquila" or "the Company") is pleased to announce further drilling success at the Hardey Bedded Iron Deposit within its 50% owned West Pilbara Iron Ore Project. This announcement presents the latest drilling results, following on from those already announced to the ASX.

The existing resource is hosted within the Dales Gorge Member of the Brockman Iron Formation. Tight isoclinal folding within the fold closure has potentially thickened the outcropping mineralised Dales Gorge Member within the area.

Detailed field mapping has also found mineralised, out-cropping Marra Mamba Formation on the southern flank of the prospect. RC drilling is underway to test the extensions to both the Dales Gorge and Marra Mamba resources.

Thrust repetition is interpreted as explaining the considerable widths of hematite-goethite mineralisation encountered in the RC drillholes. Although the mineralisation being reported is significant, the true width of the mineralisation as it relates to the broader intercepts reported in Table 2 is unclear. Diamond drilling is planned to resolve the overall orientation of the ore zones.

Resource Statement

This continued definition of significant mineralised Dales Gorge ore has resulted in a planned revision of the Resource Statement being delayed until October 2009. A significant increase in the Resource estimated in Table 1 is expected from that revision.

The latest Resource Statement for the Hardey Bedded Iron Deposit has identified a Marra Mamba and Brockman hematite resource as detailed in Table 1.

Table 1 – Hardey Bedded Iron Deposit Resource

WEST PILBARA IRON ORE PROJECT – HARDEY BEDDED IRON DEPOSIT									
Resource Classifications	**Tonnes Mt**	**Fe %**	**SiO_2 %**	**Al_2O_3 %**	**P %**	**S %**	**LOI %**	**Mn %**	**MgO %**
Indicated	19.8	61.24	3.66	2.66	0.128	0.011	5.69	0.063	0.069
Inferred	43.1	61.38	3.82	2.44	0.123	0.010	5.56	0.061	0.088
Total	**62.9**	**61.33**	**3.77**	**2.51**	**0.125**	**0.010**	**5.60**	**0.062**	**0.082**

A summary of the recent intercepts from this current phase of drilling is contained in Table 2, with the drill hole locations shown in Figure 2.

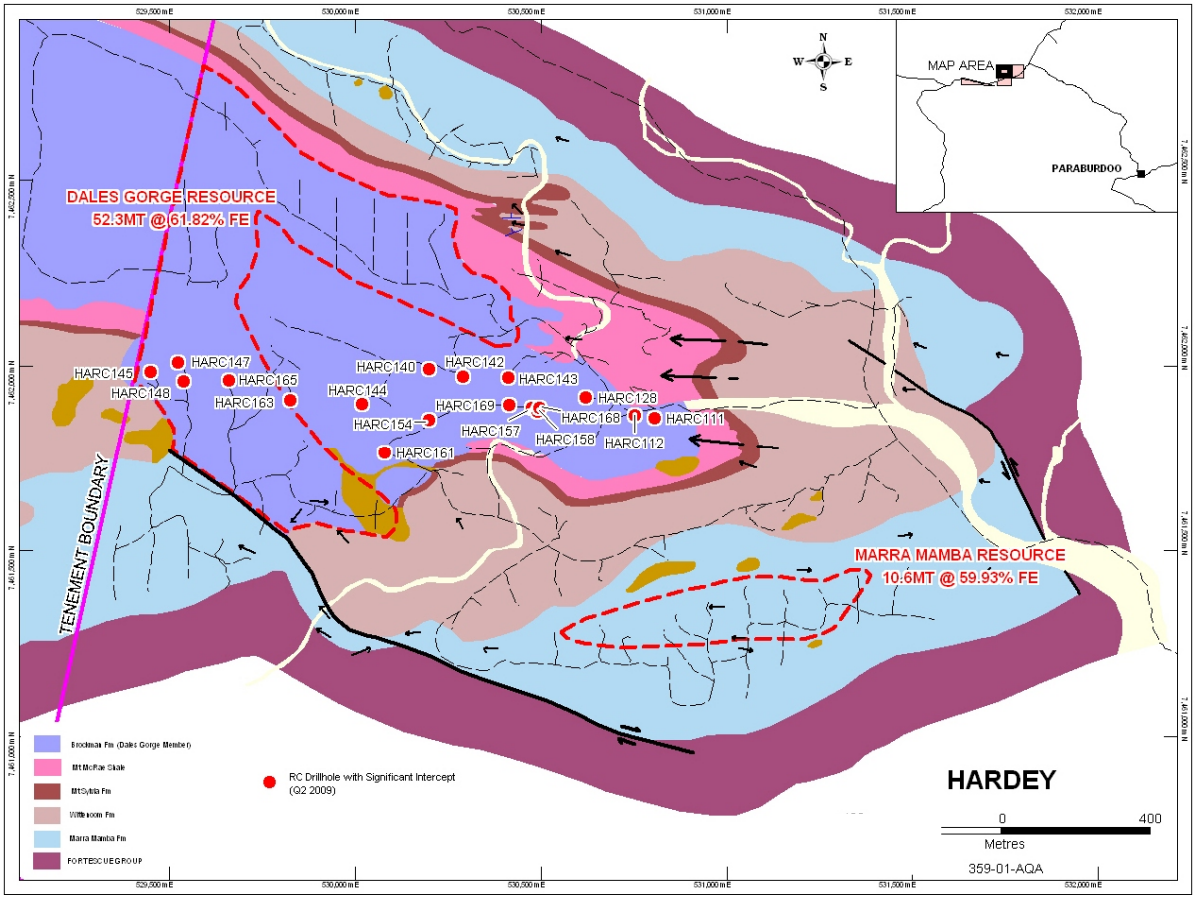

Figure 2 – Drill Hole Locations

Table 2 – Hardey Bedded Iron Deposit Intercepts

Hole ID	From	Intercept	Al_2O_3 %	SiO_2 %	Mn %	P %	S %	LOI %
HARC111	2	56.0m @ 61.78% Fe	1.34	6.21	0.06	0.107	0.005	3.60
HARC112	12	54.0m @ 61.95% Fe	1.95	4.63	0.05	0.136	0.008	4.32
HARC128	32	44.0m @ 61.59% Fe	3.16	4.35	0.06	0.116	0.003	3.75
HARC140	72	50.0m @ 62.16% Fe	0.89	5.47	0.04	0.123	0.001	4.26
HARC142	12	82.0m @ 59.96% Fe	1.68	1.68	0.08	0.132	0.008	5.91
HARC143	0	34.0m @ 65.05% Fe	0.92	0.92	0.05	0.108	0.005	4.30
	40	30.0m @ 63.59% Fe	1.65	1.65	0.04	0.126	0.007	3.54
HARC144	52	32.0m @ 64.44% Fe	1.42	1.42	0.04	0.104	0.004	3.81
HARC145	0	122.0m @ 62.49% Fe	2.10	2.10	0.05	0.105	0.016	4.82
	146	38.0m @ 65.66% Fe	1.10	1.10	0.04	0.127	0.003	3.46
HARC147	20	54.0m @ 60.80% Fe	3.07	3.07	0.06	0.140	0.011	5.70
HARC148	52	162.0m @ 65.01% Fe	1.36	1.36	0.04	0.140	0.005	3.51
HARC154	52	56.0m @ 64.67% Fe	1.09	1.37	0.05	0.147	0.008	4.58
HARC157	28	50.0m @ 61.40% Fe	2.51	4.62	0.06	0.158	0.006	4.41
HARC158	4	64.0m @ 62.26% Fe	2.11	2.11	0.04	0.140	0.005	4.85
HARC161	2	56.0m @ 58.58% Fe	4.13	4.09	0.03	0.187	0.015	7.06
HARC163	26	34.0m @ 58.19% Fe	4.30	4.30	0.11	0.164	0.007	6.10
	80	40.0m @ 58.63% Fe	2.80	2.80	0.07	0.200	0.003	8.26
HARC165	40	32.0m @ 64.39% Fe	1.18	1.18	0.06	0.104	0.008	4.74
	106	32.0m @ 60.68% Fe	2.00	2.00	0.75	0.124	0.004	4.24
HARC168	2	78.0m @ 63.15% Fe	1.40	1.40	0.05	0.126	0.003	5.02
HARC169	2	70.0m @ 64.11% Fe	1.26	1.26	0.12	0.132	0.002	4.57

NB: intercepts were calculated for greater than 58% Fe cut.

The information in this report that relates to the Hardey Mineral Resource is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of the API Management Pty Ltd. Dr Khosrowshahi and Mr Kalla are employees of Golder Associates Pty Ltd. Messers Tuckey, Khosrowshahi and Kalla have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey. Dr Khosrowshahi and Mr Kalla consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Tony Poli
Executive Chairman

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