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**AQUILA DRILLS NEW GOLD INTERCEPT
AND MORE MASSIVE SULFIDES**

AQUILA RESOURCES INC. (TSX-V:AQA – Frankfurt:JM4A) (“Aquila” or the “Company”) is pleased to announce results from three (3) additional drill holes from the ongoing drill program at the Back Forty Project in the Upper Peninsula of Michigan. Results are highlighted by multiple gold and base metal intercepts listed in the table below.

Drill hole LK-88 was a step out of the Tuff Zone massive sulfide 35 meters to the west of drill hole 108471 and 60 meters northeast of LK-87 and encountered two horizons of Tuff Zone massive and stringer sulfides.

Drill hole LK-89 was a 25 meter step out from LK-80 on the Tuff Zone which intersected only anomalous values.

The near surface gold intercept encountered in LK-90 represents one of the more significant gold results discovered on the project to date. An additional five closely spaced follow up step outs from LK-90 have recently been completed and will be submitted for assay shortly. The five additional holes were designed to test the geometry of the zone and the potential for continuity of this type of mineralization. The location of LK-90 is shown on the plan view map of drill holes on the Aquila web site.

Hole #	(m) From	(m) To	(m) Interval	(m) est. true	Gold g/tonne	Silver g/tonne	Copper %	Zinc %	Unit
LK-88	254.00	263.00	9.00	8.46	0.68	13.50	0.04	3.22	Tuff Zone Massive Sulfide, Upper Lens
includes	256.94	259.40	2.46	2.31	1.13	18.00	0.06	9.54	
includes	256.94	258	1.06	1.00	1.50	22.00	0.09	13.70	
LK-88	296.2	296.75	0.55	0.52	0.57	60.00	0.017	11.4	Tuff Zone Massive Sulfide, Lower Lens
LK-89	No significant values								
LK-90	5.1	24.5	19.4	unknown	10.35	32.92	0.03	0.01	Gold Zone, fractured, silicified sediments
LK-90	206.3	220.86	14.56	13.40	2.33	22.27	0.13	7.91	Main Zone Massive Sulfide
LK-90	299.75	302.1	2.35	unknown	23.50	*	*	*	Porphyry margin
*results pending									

A total of 102 drill holes have been completed to date at the Back Forty Project and results will continue to be reported as assays are received. A second drill has now been mobilized to the property with drilling underway. One drill will focus on defining near surface gossans and massive sulfides on the recently acquired MRT property. The second drill will continue to test deeper targets and down plunge extensions of the known massive sulfide bodies.

Sample preparation and assays on split core submitted by Aquila were completed by ALS Chemex Labs in Thunder Bay, Ontario and Vancouver, BC. Trace elements, excluding gold, were analyzed by ICP emission spectrometry with "ore grade" analyses conducted on heavily mineralized samples and samples exceeding upper reporting limits for the ICP package. Gold was analyzed by fire assay fusion with atomic absorption finish with samples exceeding 3 ppm gold re-run with fire assay fusion and gravimetric finish. Standards were inserted in the sample stream and check analyses performed on select samples. Thomas O. Quigley, P. Geo., is the qualified person as defined in National Instrument 43-101 and is responsible for the information contained in this news release.

Warrant Exercise

The Company is pleased to report that, as of 4:00 pm on September 6, 2006, 100% of the 13,277,958 warrants issued in connection with the reverse takeover transaction with Aquila Resources Corp. have been exercised for gross and net proceeds of \$3,983,387. Proceeds of the financing will be used for exploration at the Back Forty Project and general corporate purposes.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the contents of this release.

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