



For Immediate Release
 October 18, 2006
 Toronto, Ontario

Symbol – AQUA
 Exchange – TSX Venture
 Shares Outstanding: 53,181,948

BACK FORTY PROJECT UPDATE
DRILLING EXPANDS GOLD AND VMS ZONES
NEW DEEP ZONE VMS INTERCEPT - 35.6 METERS @ 5.74% ZINC
90 GOLD ZONE YIELDS 32.5 METRES @ 8.07 G/T GOLD, 75.7 G/T SILVER

Toronto, October 18, 2006 - AQUILA RESOURCES INC. (TSX-V: AQUA – Frankfurt: JM4A) (“Aquila” or the “Company”) announced today successful follow-up drill results on the Back Forty project from the new near-surface 90 Gold Zone and continued expansion of the VMS-hosted Main Zone, Tuff Zone and Deep Zone. The 90 Gold Zone is highlighted by 32.5 m of 8.07 g/t gold and 6.0 m of 13.8 g/t gold. Significant Main Zone intercepts include 18.4 m of 10.6 % zinc and 6.0 m of 14.9% zinc. Tuff Zone highlights include 15.9 m of 4.5 g/t gold, 130.6 g/t silver and 2.9% zinc as well as 6.0 m of 6.7 g/t gold and 321.9 g/t silver. A new zinc intercept in the Deep Zone yielded 35.6 m of 5.74% zinc marking the first time the Deep Zone has produced significant zinc mineralization.

Two drills are active at the project targeting near surface base and precious mineralization at the East Zone and the Pin Wheel Zone which are part of the MRT acquisition. Analytical results from a total of 27 completed holes are pending. An updated National Instrument 43-101 compliant resource estimate, which will include data from the recently acquired MRT property, is planned following completion of the current phase of drilling.

90 Gold Zone

At the 90 Gold Zone five holes drilled at 10 and 20 metre step outs around discovery hole LK-90 all intersected gold and silver mineralization. The results are shown below.

90 Gold Zone Results

	From	To	Interval	Est. True	Gold	Silver	
DDH	metres	metres	metres	metres	g/tonne	g/tonne	Description
LK-98	23.0	49.0	26.0	15.6	2.22	42.46	Silicified sediments & rhyolite volcanics
includes	39.0	43.0	4.0	2.4	8.42	76.69	
LK-99	11.5	44.0	32.5	19.5	8.07	75.74	Silicified sediments & rhyolite volcanics
includes	32.0	38.0	6.0	3.6	18.71	213.0	
LK-100	43.5	61.5	18.0	10.8	3.29	76.74	Silicified sediments & rhyolite volcanics
includes	55.7	61.5	5.8	3.5	7.04	164.18	
LK-101	33.5	51.5	18.0	10.8	2.92	133.33	Silicified sediments & rhyolite volcanics
includes	33.5	38.0	4.5	2.7	5.58	253.67	
LK-102	25.0	46.0	21.0	12.6	5.60	32.06	Silicified sediments & rhyolite volcanics
includes	40.0	46.0	6.0	3.6	13.81	79.95	

The near-surface 90 Gold Zone was first discovered in drill hole LK-90 which intersected 19.4 metres of 10.35 g/t gold (reported in Aquila press release on 9/11/2006). Results of the five step-out holes reported above show continuity of gold mineralization. The initial interpretation of the zone is that it is structurally controlled and steeply dipping with an estimated true thickness between 10 and 15 metres. The mineralization appears to be located peripheral to the massive sulfide zones. The 90 Gold Zone remains open with exploration potential along strike for approximately 200 meters. Future drilling will be directed at defining and expanding this near-surface gold mineralization.

Massive Sulfide Expansion

Three zones of massive sulfides were targeted by the reported drill holes. The three holes reported below are notable in that they each intersected multiple mineralized zones.

Massive Sulfide Results

DDH	From metres	To metres	Interval metres	Est. True metres	Gold g/tonne	Silver g/tonne	Copper %	Zinc %	Description
LK-93	96.5	102.6	6.0	unknown	6.71	321.93	pending	pending	Tuff Zone
LK-93	174.2	192.6	18.4	12.0	0.65	13.19	0.04	10.60	Main Zone
includes	186.5	192.6	6.1	4.0	0.53	21.82	0.04	16.19	Main Zone
LK-93	265.0	272.4	7.4	unknown	4.78	30.62			Silicified rhyolite
LK-93	305.1	311.8	6.7	unknown	1.29	32.55	1.75	1.03	Deep Zone
LK-94	111.5	120.5	9.0	unknown	2.56	pending			Tuff Zone
LK-94	155.4	157.3	1.9	unknown	5.1	108.00	0.02	6.25	Stringer Sulfides
LK-94	196.0	201.4	5.4	unknown	0.59	52.72	0.05	4.18	Stringer Sulfides
LK-94	269.9	305.5	35.6	unknown	0.98	12.12	0.41	5.74	Deep Zone
includes	294.9	302.4	7.5	unknown	0.80	6.60	0.14	12.21	Deep Zone
LK-96	83.0	98.9	15.9	10.2	4.46	130.55	0.04	2.92	Tuff Zone
includes	83.0	87.3	4.3	2.73	16.02	394.12	0.03	2.74	Tuff Zone
LK-96	160.3	166.3	6.0	4.0	1.60	9.50	0.08	14.89	Main Zone

Main Zone: Step-out drilling has resulted in significant expansion of this zone. LK-93, drilled 27 metres east of a previous intercept, encountered 18.4 metres of 10.6% zinc (estimated true width 12.0 meters). LK-96, a 25 metre over-cut of LK-93, returned 6.0 metres of 14.89% zinc (estimated true width 4.0 metres). In addition, LK-94 encountered sulfide stringer mineralization 25 metres below the Main Zone intercept in LK-93 which returned 5.4 metres of 4.18% zinc.

Tuff Zone mineralization was also expanded by LK-96 which yielded 15.9 metres of 4.46 g/t gold, 130.55 g/t silver and 2.92% zinc (est. true width 10.2 m) 30 metres east of previous intercepts. A 4.3 metre (est. true width 2.7m) sub-interval yielded 16.02 g/t gold and 394.12 g/t silver. LK-93 intersected 6.0 metres of 6.71 g/t gold and 321.93 g/t silver approximately 20 metres below LK-96. Twenty metres below this gold mineralization in Tuff Zone siliceous sediments was encountered in LK-94 (9.0 metres of 2.56 g/t Au).

Deep Zone massive sulfide mineralization in LK-94 (35.6 metres of 5.74% zinc including 7.5 metres 12.21% zinc) represents the first zinc-rich intercept in this deep massive sulfide body and may signify a transition from copper dominated massive sulfides down plunge to the west and more zinc-rich sulfides to the east. The Deep Zone remains open east of LK-94 and is only partially constrained by drilling to the west. An intersection of

the Deep Zone in LK-93 approximately 30 metres to the north intersected 7.5 metres of 1.75% copper and 1.03% zinc.

Target zones outlined above can be cross referenced to the map titled ***Aquila Resources Inc. LK Massive Sulfide (Zinc-Gold-Copper) Generalized Geology*** located on the Aquila website at www.aquilaresources.com (Project link). An updated plan view of the drill holes has also been posted.

Thomas O. Quigley, President and CEO of Aquila commented, “Drilling at the Back Forty Project continues to impress upon us the overall potential of the project and we look forward to updating our resource calculations in the near future.” Mr. Quigley is the Qualified Person for Aquila as defined in National Instrument 43-101 and is responsible for the information contained in this release.

Sample preparation and assays on split core submitted by Aquila were completed by ALS Chemex Labs in Thunder Bay, Ontario and Vancouver, BC and by Accurassay Labs in Thunder Bay. Trace elements excluding gold were analyzed by ICP emission spectrometry with “ore grade” analyses conducted on heavily mineralized samples. Gold was analyzed by fire assay fusion with atomic absorption finish, with higher grade gold samples re-run with fire assay fusion and gravimetric finish. Standards were inserted in the sample stream and check analyses performed on select samples.

Aquila is also pleased to announce that it has retained a European based investor relations firm, Daltech Worldwide Limited (Daltech) and its principal Erwin Speckert. Subject to TSX Venture Exchange approval and escrow provisions Daltech will receive an option to purchase 400,000 common shares of Aquila at an exercise price of \$1.25 per share. No monthly fees are payable in relation to arrangement. Other than the incentive stock option neither Daltech nor its principal has any direct or indirect interest in any of Aquila’s securities.

For more information about Aquila Resources Inc. please access the website at www.aquilaresources.com or contact:

Aquila Resources Inc. (Toronto)

Robin Dunbar, CFO

Tel: 416-203-1404

Email: info@aquilaresourcesinc.com

Aquila Resources Inc. (U.S.)

Thomas O. Quigley, President

Tel: 218-733-1452

Email: toquigley@qwest.net

Investor Relations

Clark Avenue Co. Inc.

Tel: 905-882-4422

Email: clarkavenue@rogers.com

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

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The securities being offered have not and will not be registered in the United States under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws, and may not be offered or sold within the United States or to or for the account of benefit of U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to purchase securities in the United States.