



For Immediate Release
December 18, 2006
Toronto, Ontario

Symbol – AQA
Exchange – TSX Venture
Shares Outstanding: 69,275,810

**AQUILA COMPLETES BROKERED PRIVATE PLACEMENT
FOR BACK FORTY PROJECT**

AQUILA RESOURCES INC. (TSX-V: AQA – Frankfurt: JM4A) (“Aquila” or the “Company”) is pleased to announce the closing of its previously announced brokered private placement financing. The over-allotment option was exercised and the Company realized gross proceeds of CDN \$25,600,000.

Jennings Capital Inc. as Lead Agent and Wellington West Capital Markets Inc. (collectively, the “Agents”) acted as agents in the private placement offering (the “Offering”) of 15,515,515 units of the Company (“Units”) at a price of CDN \$1.65 per Unit. Each Unit is comprised of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder, upon exercise, to acquire one common share of the Company at an exercise price of CDN \$2.15 at any time on or before December 15, 2008, subject to the Company’s right to accelerate the expiry date as described below. The Company paid a cash commission equal to 7% of the gross proceeds of the Offering to the Agents. In addition, the Company granted warrants to acquire common shares of the Company equal to 7% of the number of Units issued under the Offering exercisable at a price of CDN \$1.65 per Agent’s warrant until December 15, 2008, subject to the Company’s right to accelerate the expiry date as described below.

The securities issued in the private placement will be subject to a hold period of four months plus one day from the closing. After the expiration of the hold period the Company has the right to accelerate the expiry date of the warrants if the closing price of the Company’s common shares exceeds CDN \$2.65 for a period of 20 consecutive trading days in which case the warrants will expire on the 21st business day following the date of the Company giving notice of the acceleration.

The net proceeds from the Offering will be used to fund ongoing exploration and development activities primarily on the Back Forty project in Michigan, for property acquisition and for general corporate purposes.

About Aquila

Aquila is a mineral exploration company which controls approximately 10,000 acres of mineral and surface rights at the Back Forty Project located in Menominee County, Michigan. Ownership of mineral interests are 100% by way of state leases, private fee surface and mineral estates subject to underlying royalty interests and applicable minority interests. Exploration at the project has identified massive sulphide and gold mineralization in a highly altered sequence of felsic volcanics, pyroclastic rocks and intrusive porphyries. An evaluation of the project, including a summary of previous work, is contained in a technical report dated August 17, 2005 by DeMatties and Munroe, Geological Consultants. The report is filed at www.sedar.com.

ON BEHALF OF THE BOARD

“*Thomas O. Quigley*”

Thomas O. Quigley, President and CEO

For more information about Aquila Resources Inc., please 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.

This News Release is not for dissemination in the United States or to any United States News Services. The common shares of Aquila have not and will not be registered under the United States Securities Act of 1933, as amended, (the “US Securities Act”) or any state’s securities laws and may not be offered or sold in the United States or to any US person except in certain transaction exempt from the registration requirements of the US Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to purchase securities in the United States.