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NEW RESOURCE AND SCOPING STUDY PLANNED FOR 2008

AQUILA RESOURCES INC. (TSX: AQA – Frankfurt: JM4A) (“Aquila” or the “Company”) today announced plans for continued exploration and development activities at the Back Forty Project in Michigan’s Upper Peninsula. The Company’s key asset is the Back Forty volcanogenic massive sulfide (VMS) deposit located in Menominee County, Michigan. A National Instrument (NI) 43-101 compliant Back Forty resource currently stands at 6.6 million tonnes grading 5.32% zinc, 2.28 g/t gold, 28.76 g/t silver and .52% copper in the Measured and Indicated category with an additional 1.7 million tonnes grading 2.61% zinc, 2.82 g/t gold, 32.41 g/t silver and .15% copper in the Inferred category - making the Back Forty one of North America’s major, undeveloped gold rich VMS deposits.

New Resource and Scoping Study Planned for 2008

Key activities and milestones planned by Aquila in 2008 include:

- **Exploration and Resource Expansion.** Exploration will continue throughout the Back Forty Project area. New exploration targets generated by down hole and regional airborne geophysics will be tested in 2008. In addition, ongoing massive sulfide delineation and expansion, as well as further definition and expansion of several gold mineralized zones on the project will continue. A total of 44 drill holes are still pending from the current drilling program. Three drills will continue to operate in 2008.
- **Update resource calculation.** An updated resource will be completed during the second or third quarter of 2008. The resource will incorporate drill holes completed since May, 2007 (115 to date) as well as drill holes planned for early 2008. Significant expansion of the existing resource has occurred in several key areas including the Pinwheel, South Limb, and 90 Gold Zone. SRK Consulting has been retained to complete the NI 43-101 updated resource calculation.

- **Completion of a NI 43-101 compliant preliminary assessment (scoping study).** In order to evaluate the economic potential of the updated resource, Aquila intends to engage independent third party consulting engineers to complete preliminary mine and processing plans in order to assess the preliminary economic parameters of the project.
- **Advancement of metallurgical test work program.** Metallurgical test work is well underway for massive sulfide ore types as well as oxide (gossan), 90 Gold Zone and PM Zone gold ores. The Company anticipates that preliminary results will be ready for release during the first quarter of 2008.
- **Progression of environmental baseline studies.** Studies monitoring baseline water, air, flora, fauna, and cultural resources are currently being completed by independent consulting firms and will continue through 2008.
- **Community outreach.** The Company will continue its community outreach program with the normal regularly scheduled meetings in the local township, as well as an expanded meeting venue throughout broader Menominee County.

Additional information about Aquila and the Back Forty Project are available on the company's website at www.aquilaresources.com.

Tom Quigley, P.Geol., and President of Aquila is the Qualified Person as described in National Instrument 43-101 for the Back Forty Project and is responsible for the content of this press release.

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

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