

PRESS RELEASE

QUEST CAPITAL ANNOUNCES \$40 MILLION COMMON SHARE OFFERING

*NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES
OR FOR DISSEMINATION IN THE U.S.*

Vancouver, British Columbia, August 4, 2005 - Quest Capital Corp. (TSX: QC) is pleased to announce that it has entered into an agreement with a syndicate led by Desjardins Securities Inc. and including Canaccord Capital Corporation to sell 17,400,000 common shares at a price of \$2.30 per common share to raise gross proceeds of \$40,020,000. Quest has also granted the underwriters an option to purchase up to an additional 2,610,000 common shares at the same price, exercisable within 60 days of the closing of this offering. Closing of the offering is anticipated to occur on or about August 17, 2005.

Net proceeds from the offering will be used to fund Quest's merchant banking business.

About Quest

Quest Capital Corp. is a merchant banking organization that focuses on providing bridge and mortgage financing, and corporate finance services. Quest's primary expertise is providing asset-backed commercial loans to companies operating in industries such as mining, oil and gas, manufacturing and real estate.

For more information about Quest, please visit our website (www.questcapcorp.com) or contact:

A. Murray Sinclair, Managing Director
Michael Atkinson, Vice President
Tel: (604) 689-1428
Toll-free (800) 318-3094

Bob Buchan, Executive Chairman
Tel: (416) 367-8383

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States (or any other jurisdiction where it would not be allowed). The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available. Any public offering of securities to be made in the United States would, if made, be made by means of a prospectus that could be obtained from Quest Capital Corp. that would contain detailed information about Quest Capital Corp. and management and financial statements.

Forward-Looking Statements

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of Quest. Actual results realized may vary materially from the information provided in this news release. As a result, there is no representation by Quest that actual results realized in the future will be the same in whole or in part as those presented herein.