

PRESS RELEASE

**QUEST CAPITAL ANNOUNCES CLOSING OF \$42 MILLION EQUITY
OFFERING**

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Vancouver, British Columbia, August 23, 2005 - Quest Capital Corp. (TSX: QC) is pleased to announce that it has completed its previously announced public equity offering, raising gross proceeds of approximately \$42 million through the issuance of 18,500,000 shares at a price of \$2.30 per share. The underwriting syndicate was led by Desjardins Securities Inc. and included Canaccord Capital Corporation and First Associates Investments Inc.

Quest has granted the underwriters an over-allotment option exercisable for 60 days following the closing of the offering to purchase up to an additional 2,775,000 shares at a price of \$2.30 per share.

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:

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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.