QuestAir Technologies Inc.
6961 Russell Avenue
Burnaby BC, Canada V5J 4R8

Telephone 604.454.1134
Facsimile 604.454.1137
www.questairinc.com

news release

QuestAir H-3200 hydrogen purifier installed in world's first mobile natural gas-to-hydrogen fuel station

For Immediate Release **12 August, 2004**

BURNABY, B.C. - QuestAir Technologies Inc. announced today its H-3200 hydrogen purifier has been installed by Babcock Hitachi K. K. ("BHK") at the Oume Hydrogen Station in suburban Tokyo, the world's first mobile hydrogen fueling station that produces hydrogen from natural gas. The station will provide hydrogen fuel for fuel cell vehicles in a number of locations and is the second Japanese hydrogen fueling station to install QuestAir's hydrogen purification technology.

The Oume station is one of 10 hydrogen stations constructed as part of the Japan Hydrogen & Fuel Cell Demonstration Project ("JHFC"), a multi-year fuel cell vehicle and hydrogen infrastructure demonstration project directed by Japan's Ministry of Economy, Trade and Industry ("METI"). The station is being operated by the Engineering Advancement Association of Japan ("ENAA") and provides hydrogen fuel for fuel cell vehicles supplied by manufacturers including Toyota, Nissan, Honda, DaimlerChrysler, General Motors, Mitsubishi and Suzuki.

The trailer-mounted fueling station is comprised of several sub-systems, including hydrogen generation, purification, compression and storage. The hydrogen is produced from natural gas using reforming technology from BHK. QuestAir's H-3200 then purifies the hydrogen, which is subsequently compressed and stored with equipment supplied by Nippon Sanso Corporation. The overall system integration was completed by BHK. The H-3200 was supplied by QuestAir through Iwatani International Corporation ("Iwatani") under the terms of the Supply and Distribution Agreement signed by QuestAir and Iwatani in December 2003.

Jonathan Wilkinson, President and CEO of QuestAir, said that mobile refueling stations such as the Oume station will supply hydrogen to vehicles in areas that are remote from fixed hydrogen stations. "The Japanese government and industry continue to be world leaders in the development of flexible, cost-effective hydrogen infrastructure, and our participation in this innovative, high-profile station validates the competitive advantages of our technology," Wilkinson said.

Kunio Yoshida, General Manager, Systems Business and Development Operations for BHK, said, "We are very pleased with the operation of QuestAir's H-3200 in the Oume Station. The compact size, reliability and performance of the H-3200 sets the standard for hydrogen purification equipment in the market place, and we look forward to working

with QuestAir on other projects as the hydrogen infrastructure is further expanded in Japan and Asia".

QuestAir's H-3200 purifies hydrogen-containing gas streams to high purity hydrogen for use in industrial processes, hydrogen fueling stations and stationary fuel cell power plants. The H-3200's optimized Pressure Swing Adsorption ("PSA") process and proprietary rotary valve technology deliver higher efficiency than conventional PSA systems in a more compact, cost effective package. Since the product launch in 2003, QuestAir has sold 22 H-3200 systems to customers in Europe, Japan and North America .

-30-

About QuestAir Technologies Inc.

QuestAir Technologies, Inc. has developed proprietary gas purification technology that is being applied to several large existing and emerging world markets, including industrial hydrogen production and stationary and automotive fuel cells. QuestAir's proprietary fast-cycle pressure swing adsorption ("PSA") technology allows the developers of fuel cell systems to increase the efficiency of their products, and offers a compact, cost effective gas purification solution to QuestAir's industrial customers and developers of hydrogen fueling infrastructure. QuestAir is a private company based in Burnaby, British Columbia whose shareholders and strategic partners include Shell Hydrogen, Ballard Power Systems and The BOC Group.

About Babcock Hitachi K.K.

BHK is a world leader in energy-related technologies and environmental systems. Our power and industrial plant boilers improve plant performance, while our desulfurization and NOx removal systems protect the environment. Our technologies lend new-found quality and security to vital industries. Since 1953, BHK has remained at the forefront of progress, and we are constantly updating our research to better meet the needs of our customers. Our strong product line, commitment to quality, and ongoing developments position us to improve the lives of generations to come. The global community is actively searching for new answers to energy and environment. BHK is actively involved in researching and developing energy related technologies to better achieve our major objectives: satisfying society's energy needs, and friendly to the environment.

For more information, please contact:

QuestAir Technologies Inc.:
Andrew Hall
Director, Corporate Development

Tel: 604-453-6967
hall@questairinc.com
www.questairinc.com

Babcock Hitachi K.K.:
Kunio Yoshida
General Manager, Systems Business and Development Operations
Tel. +81-3-5400-2413
yoshida-ku@tho.bhk.co.jp
www.bhk.co.jp