

## News Release

### **QuestAir Technologies Inc. completes Initial Public Offering, begins trading on London AIM and Toronto TSX markets**

#### **For Immediate Release**

**December 21, 2004**

BURNABY, B.C. – QuestAir Technologies Inc. (“QuestAir” or “the Company”; AIM: QAR; TSX: QAR), a developer, manufacturer and supplier of advanced gas purification systems, announced today it has completed its Initial Public Offering, consisting of a new issue of 8.6 million common shares priced at 74.5p (C\$1.75) per share, for gross proceeds of £6,407,000 (C\$15,050,000).

QuestAir’s common shares begin trading today on the AIM Market of the London Stock Exchange plc and the Toronto Stock Exchange under the symbol “QAR”.

Jonathan Wilkinson, President and CEO of QuestAir, said the proceeds of the Offering will be used to fund the Company’s growth, including the launch of second-generation products to serve existing and emerging markets.

“We believe our technology and products have advantages over current gas purification technologies in growing existing markets such as oil refining, biogas production and natural gas processing — and in emerging markets such as fuel cell power plants and fuel cell vehicle refuelling stations,” said Wilkinson. “We regard our joint development agreements with Exxon Mobil Research and Engineering Company and Shell Hydrogen — and our worldwide network of existing customers — as validation of our plans for the future.”

“Our dual listing on AIM and on the Toronto Stock Exchange gives us access to a deep capital pool, including knowledgeable investors who understand our markets, our technology and our opportunities,” Wilkinson said.

The Company’s products are based on proprietary innovations in pressure swing adsorption (PSA) technology that solve some of the inherent disadvantages of conventional PSA. Conventional PSA technology was introduced commercially in the 1960s and today is applied extensively in the production and purification of hydrogen, oxygen and nitrogen for industrial uses. QuestAir has 25 granted patents and 111 patents under application.

QuestAir has supplied its first-generation products to the industrial hydrogen and biogas processing markets, and for use in hydrogen fuelling infrastructure demonstration projects. To date, the Company has sold 49 systems to approximately 25 customers located in North America, Asia and Europe.

*Exxon Mobil Research and Engineering Company*

QuestAir has a joint development agreement with Exxon Mobil Research and Engineering Company, which includes the development and commercialisation of PSA hydrogen purification products for a range of refinery and petrochemical applications.

Hydrogen is used in an oil refinery for the processing of crude oil into refined fuels and for removing contaminants such as sulphur. According to the Oil & Gas Journal, hydrogen consumption in the oil refining industry grew at a compound annual growth rate of 4% from 2000 to 2003. Cryogas International, a merchant gas trade publication, estimates that this will increase to between 5% and 10% through to 2010.

QuestAir management believes that the principal drivers of this growth in refinery hydrogen demand will be: an overall increase in worldwide oil production; regulations requiring lower amounts of sulphur in diesel fuel; and increased consumption of “heavy” low quality crude oil.

*Shell Hydrogen*

QuestAir also has a joint development agreement with Shell Hydrogen, one of the companies of the Royal Dutch/Shell Group that is focused on global activities in commercialising hydrogen fuel and supporting fuel cell applications. Shell Hydrogen made an equity investment of \$11 million in the Company as part of the transaction. The relationship is intended to accelerate the development of the Company’s compact hydrogen PSA systems for use in producing hydrogen from natural gas feedstock.

QuestAir management believes this relationship positions the Company to be a participant in the development of the hydrogen fuelling infrastructure that will support the future commercialisation of fuel cell vehicles.

Canaccord Capital (Europe) Limited, Canaccord Capital Corporation and CIBC World Markets Inc. acted as Agents for the company in connection with the Offering in the United Kingdom, Europe, Canada and the United States. Canaccord Capital (Europe) Limited is the Nominated Advisor and Broker to QuestAir on AIM.

QuestAir has granted to the Agents an option, exercisable in whole or in part, to purchase up to an additional 10% of the number of common shares sold pursuant to the Offering, at any time within 30 days following the closing of the Offering.

**IPO/Listing statistics:**

Offering Price	74.5p (C\$1.75)
Number of common shares in issue upon listing	37,261,010
Market capitalisation at Offering price	£27.8 million (C\$65.2 million)
Total gross proceeds of the Offering	Approx. £6,407,000 (C\$15,050,000)

Certain statements contained in this press release may be considered as “forward looking”. Such “forward looking” statements are subject to risks and uncertainties that could cause the actual results, performance or achievements of the Company to be materially different from any expressed or implied results. A description of the significant risks and uncertainties affecting QuestAir and its business are contained in

QuestAir's Prospectus dated December 14, 2004, which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com), any of which could cause actual events or results to vary materially from QuestAir's anticipated future results. The Company undertakes no obligation to review or confirm any expectations or to release publicly any revisions to any "forward-looking" statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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#### About QuestAir Technologies Inc.

QuestAir Technologies, Inc. is a developer, manufacturer and supplier of proprietary gas purification systems for several large international markets, including existing markets such as oil refining, biogas production and natural gas processing, and emerging markets such as fuel cell power plants and fuel cell vehicle refuelling stations. The Company has joint development agreements with Exxon Mobil Research and Engineering Company and Shell Hydrogen, and a collaboration with FuelCell Energy. QuestAir is based in Burnaby, British Columbia and its shares trade on the AIM Market of the London Stock Exchange and on the Toronto Stock Exchange under the symbol "QAR".

For further information please contact:

QuestAir Technologies Inc.

Andrew Hall

Director, Corporate Development and External Communications

Phone: (001) 604-453-6967

Email: [hall@questairinc.com](mailto:hall@questairinc.com)

Web: [www.questairinc.com](http://www.questairinc.com)

Canaccord Capital (Europe) Limited:

Mark Ashurst

Clayton Bush

Phone: 020 7518 2777

UK media contact:

Charles Ryland

Ben Willey

Eleanor Williamson

Buchanan Communications

Phone: 020 7466 5000

Canadian media contact:

John Kageorge

James Hoggan + Associates

Phone: (001) 604-739-7500