

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Quest PharmaTech Inc.
9407 – 20 Avenue
Edmonton, Alberta T6N 1E5

ITEM 2 Date of Material Change:

April 30 and May 10, 2007

ITEM 3 News Release:

Disseminated on May 10 and May 14, 2007 through Canada News Wire.

ITEM 4 Summary of Material Change:

Quest PharmaTech announces second equity investment by KMH Co. Ltd. in connection with Strategic Business Alliance to Distribute Cosmetic Hair Removal Product in Asia. \$300,000 received by Quest.

Quest PharmaTech and Paramount BioSciences sign exclusive multinational license agreement to develop and commercialize SonoLight technology for dermatology applications.

ITEM 5 Full Description of Material Change:

Quest PharmaTech Inc. ("Quest" or the "Company") announces that it has received a licensing/equity payment of \$300,000 from KMH Co. Ltd. which represents the second payment under the agreement entered into with KMH in October, 2006. As part of this equity investment by KMH, the Company will issue 3,000,000 common shares at \$0.10 per share, subject to regulatory approval in Canada and Korea.

Under the October, 2006 agreement, Quest receives a total of \$1,500,000 as an equity investment for the licensing fee. The first payment of \$200,000 was received in October, 2006 in exchange for a treasury issue of 1,000,000 common shares at \$0.20 per share. In addition to equity investment, Quest will also receive royalties on the sale of SL017 for hair removal in Asia. KMH has already initiated a clinical trial for hair removal in Korea with the objective of registering SL017 as a cosmetic product in that country.

Under the amended agreement with KMH, the remainder of the equity investment (\$1,000,000) will be made upon reaching specific milestones related to SL017 development in the next few months and at a share price to be determined later but not less than \$0.20 per share.

Quest PharmaTech Inc. (“Quest”) (TSX: QPT) announces that Paramount BioSciences, LLC, has acquired multinational rights to Quest’s proprietary SonoLight technology for dermatology applications. Paramount BioSciences is a global drug development and healthcare investment firm with a portfolio of life-sciences-focused companies. The deal gives Paramount BioSciences access to a library of Hypocrellin B-derived photosensitizers which are activated by light or ultrasound energy sources. Quest’s SonoLight photosensitizer technology is designed around Hypocrellin B, a complex small molecule isolated from a parasitic fungus (*Hypocrella bambusae*) normally found in Chinese bamboo trees. Multiple Hypocrellin B derivatives are available for evaluation in a wide variety of dermatology and oncology indications. The lead compound, SL017 formulated as a topical gel, has been combined with a widely available light source for permanent removal of unwanted hair and for treatment of actinic keratosis.

Under the terms of the agreement, Paramount BioSciences is responsible for dermatology-related development and commercialization activities outside of Canada. In addition, the agreement with Paramount BioSciences allows KMH Co. Ltd. to develop SL017 as a cosmetic for hair removal in Asia and acne in South Korea. In return, Quest will receive an immediate upfront payment and potential future milestone payments in excess of \$35 million USD plus royalties on sales. Quest will retain Canadian rights for dermatology and worldwide rights to non-dermatology applications.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:
N/A

ITEM 7 Omitted Information:
N/A

ITEM 8 Executive Officer:
Dr. Ragupathy Madiyalakan, CEO – (780) 448-1400 ext 204

ITEM 9 Date of Report:
May 14, 2007