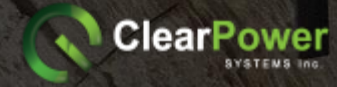




# Annual General Meeting

July 10, 2019 | Calgary, AB



Solutions Powered By Clean Combustion

**Environmental  
Protection**



**Intelligent  
Solutions**



**Social  
License**



# Questor Technology Inc.

20 Years Providing Solutions Eliminating the Need to Vent or Flare Gas

# Forward Looking Statements

- **Certain information presented today may constitute forward-looking statements. Such statements reflect the Company's current expectations, estimates, projections and assumptions.**
- **These forward-looking statements are not guarantees of future performance and are subject to certain risks which could cause actual performance and financial results in the future to vary materially from those contemplated in the forward-looking statements.**
- **For additional information on these risks please refer to the Company's 2018 annual reporting under the heading "Business Conditions and Risk Management."**

# What We Do



**QUESTOR** is a leading provider of 99.99% efficient, safe, reliable and regulatory compliant patented waste gas combustion systems across an array of industries.

**QUESTOR** specializes in the clean combustion of waste gases, methane, VOC's, HAP's and BTEX, addressing air quality and GHG emissions. We recover the waste heat from clean combustion and other sources to treat waste water and generate power.

**QUESTOR's** solutions improve safety, reduce costs, improve energy efficiency, achieve compliance, reduce GHG emissions while gaining public support.

**QUESTOR's** adaptability has resulted in unique solutions that have become industry standards in an ever-changing, competitive market.

# The Problem We Are Solving

**BEFORE**



**QUESTOR**



**Community acceptance; operating and capital cost reductions; safety; energy efficiency; emission regulations: VOC, HAP's, methane, air quality, GHG emissions, low carbon operations, green/closed loop completions, no flaring, no venting, no odors**

# Creating Value From Waste

## Clean Emissions Solutions

99.99% Combustion Efficiency  
Clean Emissions - CO<sub>2</sub> and Water



Pad and Well Site Operations



Drilling and Completions Operations



Gas and Oil Processing Upstream, Midstream and Downstream

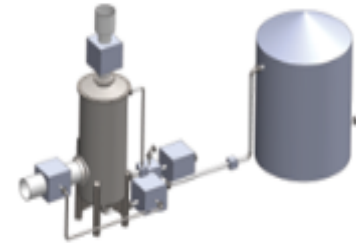
Waste Gases



Clean Combustion Device



Heat Energy



Water Vaporization  
(Under Development)



ORC Heat to Power  
77kW to 5MW

# Corporate Profile

- Founded in 1994 and listed in 1998 on the TSX Venture Exchange – “QST”. HQ Calgary, AB
- Strong, experienced management team and Board of Directors
- Clean balance sheet with no debt
- Technology considered best in class
- U.S. and Canadian patent – expires November 2019
- Proven technology that is key to meeting the tough global regulations and targets on emissions



# Investor Information

## Share Information (Y/E 2018)

<b>Common Shares</b>	<b>27.2 million</b>
<b>Warrants</b>	<b>Nil</b>
<b>Current share price (07/10/2019)</b>	<b>\$4.80</b>
<b>52 Week Hi-Low</b>	<b>\$2.05-\$5.36</b>
<b>Y/E Earnings/Share (Basic)</b>	<b>\$0.27</b>
<b>Market Cap</b>	<b>\$131.0 Million</b>

## Major Shareholders

<b>Audrey Mascarenhas</b>	<b>16%</b>
---------------------------	------------

## 12 Month Share Price Performance



## Financial Information (Y/E 2018)

<b>Revenue</b>	<b>\$23.5 million</b>
<b>Cash</b>	<b>\$8.8 million</b>
<b>Net Debt</b>	<b>Nil</b>

# Board of Directors

## Jim Inkster



Entrepreneur and businessman. Jim has provided twenty years of insight in assisting management in building the firm base on which the Corporation's growth plans are materializing.



## Stewart Hanlon – Chairman

Mr. Hanlon had a long and distinguished career with Gibson Energy Inc. a Canadian-based midstream energy company. Mr. Hanlon served as President and CEO of Gibson from 2009 through 2017.

## Jean-Michel Gires



Jean-Michel Gires previous President & CEO Total E&P Canada. He joined Chrysalix in 2013, an energy venture capital firm. He is based in Calgary and dedicates himself to innovation.



## Audrey Mascarenhas President & CEO

Chemical Engineer with Master's degree in Petroleum. Over 38 years of oil and gas experience. She joined Questor in 1999. U of C Engineering Industry advisor. Chair of the Federal Government Clean Technology Strategy table. 2011 E&Y Entrepreneur of the year. Fellow of the Canadian Academy of Engineers.



# Questor Team Profile



**Audrey Mascarenhas**  
**President and CEO**

## Dan Zivkusic – CFO

CPA, CMA with over 20 years in the oil and gas industry in the E&P and service sectors. Senior executive finance experience in E&P, pressure pumping, artificial lift systems, managed pressure drilling and testing.



## Robert Miller – President, ClearPower Systems

Mechanical engineer with over 45 years of extensive experience in manufacturing, co-generation and power generation with Amerada Hess (Microgen), Turbogenix, Calnetix and General Electric.



## John Sutherland – COO

Mechanical engineer with over 31 years of domestic and international experience in production operations, facility design, regulatory compliance, HSE and EPC with various mid-sized to large multinational oil and gas companies.



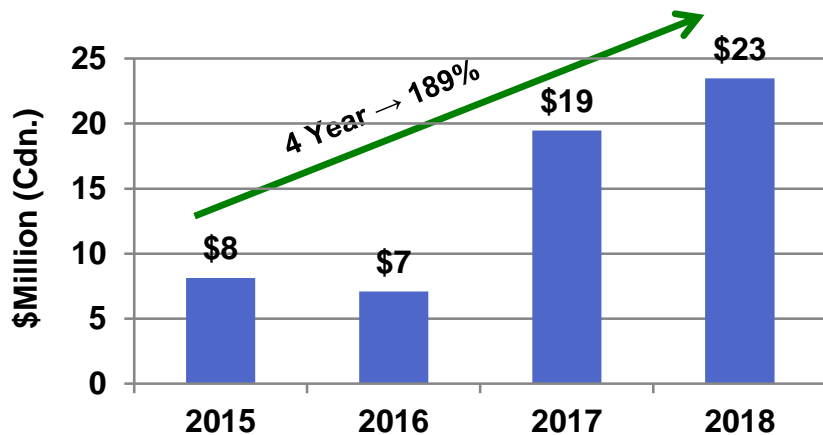
## Justin Mahendra – VP, Sales & Marketing

16 years of technical sales, account management and business development experience including 7 years in waste management within the UK and Europe and the past 9 years in the North American oil and gas sector.

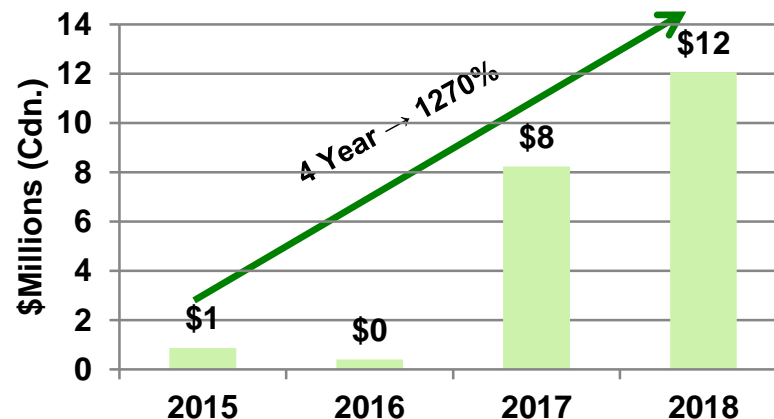


# Consistent Revenue Growth

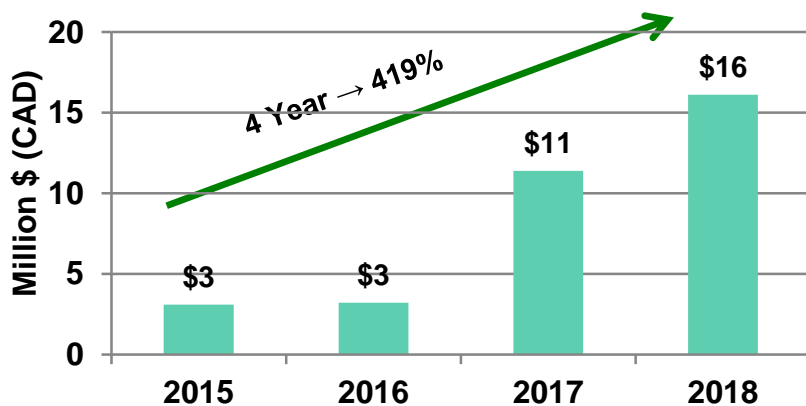
## Gross Revenue



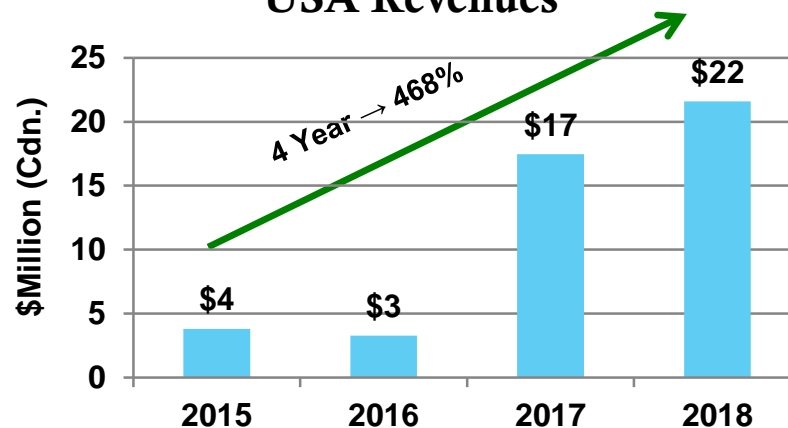
## Adjusted EBITDA



## Rental Revenue



## USA Revenues



# Business Segments

**Sales**



**Rentals**



**Field Combustion  
Services**



# Colorado

- Air quality issues: non-attainment zones
- Lack of gas pipeline take away capacity
- Win-win created with stringent regulations
- Senate Bill 181 has created a framework for Industry and community to work together
- Questor has established a strong market presence and significantly reduced customer concentration



# Units in Colorado

**30% reduction in lease size, 20% reduction in pad cost;  
*Incremental 400 bbls/d production***



# Rental Fleet Expansion to Texas & North Dakota



- Over 35% of the rental fleet is committed to contracts ranging in term from 6 months to 24 months in Colorado, Texas and North Dakota contributing \$5MM of revenue
  - *\$3.2 million of the \$5 million in rental contracts are with new clients in North Dakota*
  - *\$1.0 million of the \$5 million is with a new client in Texas on a 24 month contract*
- Questor was independently field tested in North Dakota and Colorado and, once again, confirmed its performance in excess of 99.99%
- Questor units deliver value to our clients by increasing oil production limits by significantly reducing VOC's and NO<sub>x</sub>
  - *400 bbls/d per site in CO*
  - *2200 bbls/d per site in ND*



## Permian - TX

- > 600 MMscf/d currently flared with pipeline capacity at 98%
- Opportunity for a 180 unit rental fleet
- 4021 well drilled but uncompleted due to lack of P/L capacity
- Yard space in Midland, Texas



## Bakken - ND

- 520 MMscf/d flared representing 20% of total gas production
- Recently deployed 39% of the rental fleet to the area for a new client
- Opportunity for a rental fleet of 120 units
- Questor units creating significant opportunity to increase oil production utilizing 99.99% combustion efficiency

# New Growth Opportunity in Mexico

- Methane emission reduction target of 75% by 2025 from oil and gas industry
- New rules applicable to both new and existing installations
- Fines and oil production curtailment for non compliance
- Mexico's environmental regulations will reward companies that harness benefits from associated gas

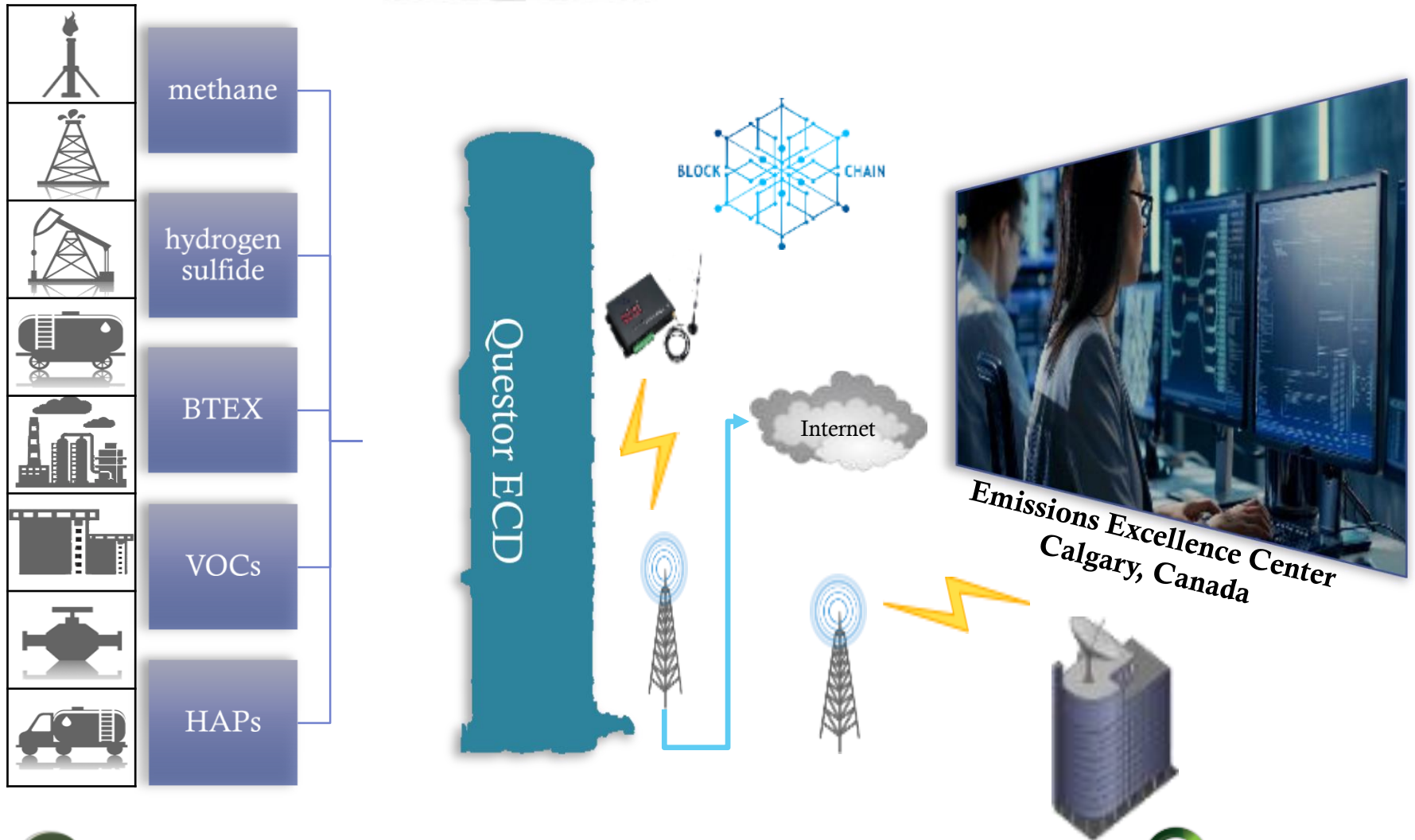
Questor combustion unit



*Questor anticipates significant interest in its integrated combustion/waste heat to power solutions*



# Data Monitoring



# GEMMA's Prime Directives

**Logging of key  
data point  
information  
from field  
devices**

**Secure  
transmission of  
field data by  
utilizing  
Blockchain  
cryptography  
technology**

**Collection of  
field data at a  
centralized  
Emissions  
Excellence  
Centre where it  
can be  
monitored and  
analyzed**

**Perform AI  
calculations  
using field data  
to determine  
before and after  
results.**

**Develop reports  
for client and  
regulatory use,  
to communicate  
carbon offset  
information  
and provide  
support for  
carbon credit  
applications**

# Questor's Market Drivers



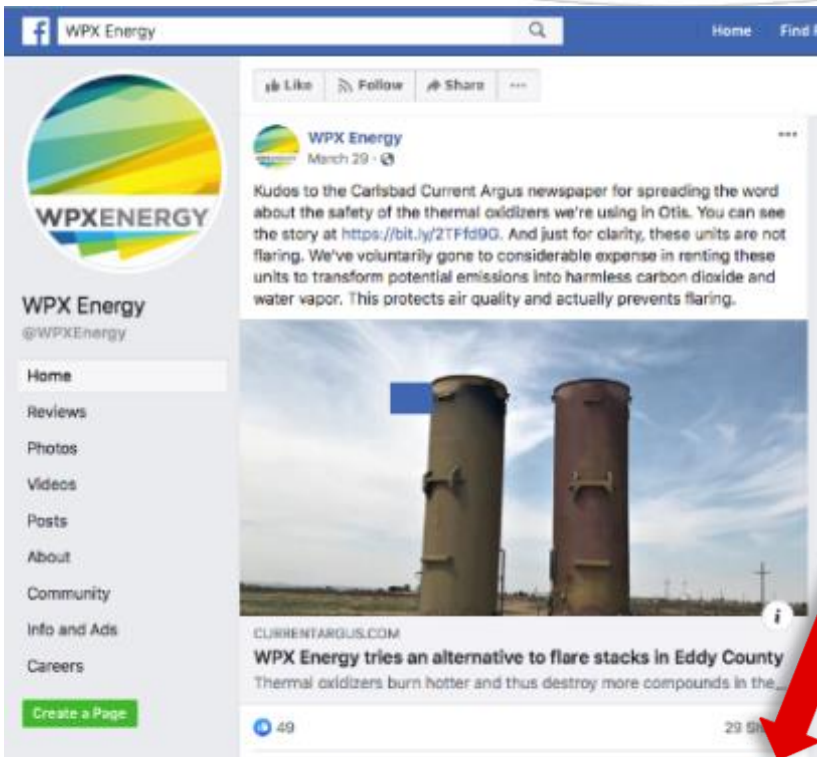
- **US EPA/State regulation** focused on air quality and non-attainment zone emissions: Methane, HAP and VOC's
- **Recognition of Questor's 99.99% combustion efficiency** – advantage in meeting air quality emission regulations (VOC's) – resulting in incremental oil production
- **Climate change focus; Methane is 84 x more potent than CO<sub>2</sub>** – clean combustion reduces GHG emission 30 x – most cost effective way to reduce
- **E&P C-suite compensation tied to emission reduction targets**
- **Investment \$\$ targeting low carbon emission industries** – 100+ Investors managing over \$35 trillion

# Growth Strategy Diversification

- Diversified technology solution offerings and technology adoption in other industries
- ClearPower - waste heat conversion to power with zero emissions significant global industrial market - 77kW to 1.5MW
- Developing technology to utilize the on-site heat from flue gas to reduce produced and flow-back water volumes (*90% reduction in volume at a cost of less than \$3/bbl*)



# Social License



## WPX Energy tries an alternative to flare stacks in Eddy County

Adrian C Hedden, Carlsbad Current-Argus | Published 12:53 p.m. MT March 28, 2019 | Updated 1:01 p.m. MT March 28, 2019

### Some residents mistake facility for tank battery fire

Fire appeared to erupt at a flare stack in southern Eddy County, scaring motorists and nearby in the area. Many call 911, reaching volunteer fire services already strained for resources. **But the blaze wasn't a danger. It was a measure of safety.**

They're called thermal oxidizers, and could provide a safer, more efficient way to flare natural gas.



That's why WPX Energy installed the control measure in February at a facility in the community of Otis along Derrick Road between U.S. Highways 286 and 62/180. A pipeline the company planned for the area was delayed until the end of April, meaning natural gas drawn from the well had to be flared to maintain safe pressure levels at the site. But to a casual observer, vents at the bottom of the stack could reveal frightening, especially at night.

WPX spokesperson Kelly Swan said the visual is like "a giant hot water tank with a very large pilot light". It caused dozens of calls to the Eddy County Office of Emergency Management, and volunteer firefighters were sent out to address the concerns. Eddy County Emergency Manager Jennifer Arredariz said the Office takes all calls seriously. "It does look like it's on fire," she said. "At night, it looks like something is burning out there. We continue to get phone calls from passersby. We have to treat all calls like it's a fire."

### What is it?

Thermal oxidizers burn hotter and thus destroy more compounds in the gas before it is released into the air. A typical flare stack burns at about 800 degrees Fahrenheit, but the oxidizers heat up to 1,200 to 1,800 degrees, said JoDee Mizoue, WPX environmental manager. She said that higher heat allows for 99.9 percent combustion efficiency, burning off all the methane and only releasing carbon dioxide and water vapor. Flares usually burn at about 96 percent efficiency, she said. The flaring process is especially important, she said, as a safety measure to balance the pressure of a new well. "That additional 1 percent ensures that compounds like the methane are completely destroyed," Mizoue said. "They burn clean. There's no smoke. In ensuring that they burn much hotter." Such a control is especially helpful when wells are drilled near residential areas, she said.



They're meant to burn high volumes of gas — about 5,000 cubic feet per day compared to an average "oil flare" that can burn between 2,000 and 3,000, Mizoue said. **It's a safer and more efficient design, she said, ideal for a residential area.** "We are looking at more gas, especially as this is a new well," she said of the facility in Otis. "The stack is enclosed because they are enclosed. It's not an open flame, but they tend to glow." Mizoue explained that doors at the bottom of the facility allow for air flow, but also make the flames visible albeit not as bright as a standard flare. "It's primarily because it's in a residential area," she said of the facility. "We had concerns. We didn't want that to rumble. We also had concerns with night light. (Thermal oxidizers) just make sure the mix is perfect and it's in a controlled environment."

WPX is renting the thermal oxidizers from Denver-based Questor until a pipeline connection to WPX's oil well in the area is complete. That was expected by the end of April, read a WPX news release. Unit that time, the equipment remained active at the well site, secured by barbed wire fencing to keep locals off the private property. To quell local anxiety in the meantime, WPX planned to erect signs in the area to inform motorists and others of the purpose and lack of threat posed by the facility. When the pipe is coming in, and had a gap in time," she said. "All that gas will be sold. We didn't want to burn the gas, but sometimes you have to and that was the way." Thermal oxidizers are an example of "market-driven" solutions, Mizoue said, to cut down on waste and increase revenue for oil and gas companies. "We try and do everything possible to minimize emissions," she said. "There's some situations where gas flows not big enough for a control device like this. In this case, it was great". She said the oxidizer in Otis was the first one used by WPX, its success would result in more appearing in the area.

"They're called thermal oxidizers, and could provide a safer, more efficient way to flare natural gas."

"A typical flare stack burns at about 800 degrees Fahrenheit, but the oxidizers heat up to 1,200 to 1,800 degrees, said JoDee Mizoue, WPX environmental manager. She said that higher heat allows for 99.9 percent combustion efficiency, burning off all the methane and only releasing carbon dioxide and water vapor."

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## **COST REDUCTION FOR CLIENTS**



## **PUBLIC CONFIDENCE**



## **QUESTOR SOLUTIONS AND TECHNOLOGY INC**

**Audrey Mascarenhas**  
President and CEO

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## **ENVIRONMENTAL PROTECTION**

