



NEWS RELEASE
QUESTOR TECHNOLOGY INC.
ANNOUNCES FIRST QUARTER 2015 FINANCIAL RESULTS

Calgary, Alberta (May 28, 2015) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the first quarter of 2015. Revenue this quarter was \$2.4 million, 26% lower than the prior year as the Company was impacted by the 50% reduction in oil prices in comparison to the first quarter of 2014 causing customers to look for opportunities to reduce costs and defer capital spending. Despite these challenges higher margins were achieved on the units sold in this quarter and rental revenues increased by 185% from the first quarter of 2014.

The Company generated a profit of \$513,733 (\$0.02 per share) in the first quarter of 2015 down from \$800,100 (\$0.032 per share) in the first quarter of the prior year due primarily to lower revenues arising out of the lower volume of incinerators sold. Higher Administrative expenses due in part to the Research and development investment in the Company’s combined heat and power (“CHP”) technology, served to decrease the Company’s earnings for the three months ended March 31, 2015 when compared to the same period of 2014, while higher net foreign exchange gains and other income recorded in 2015 contributed positively to the Company’s overall financial performance.

FINANCIAL HIGHLIGHTS SUMMARY

(Stated in Canadian dollars except shares outstanding)

For the three months ended March 31	2015	2014	Increase (decrease)
Revenue	2,369,086	3,215,437	(846,351)
Gross profit ⁽¹⁾	1,199,540	1,442,541	(243,001)
EBITDA ⁽¹⁾	924,158	1,171,598	(247,440)
Profit for the period ⁽¹⁾	513,733	800,100	(286,367)
Cost of sales as a percent of revenue ⁽¹⁾	49.4%	55.1%	(5.7%)
Funds flow from operations before movements in non-cash working capital ⁽¹⁾	867,099	1,255,065	(387,966)
Earnings per share - Basic	0.020	0.032	(0.012)
- Diluted	0.019	0.031	(0.012)

As at	March 31, 2015	December 31, 2014	Increase (decrease)
Total assets	16,643,741	16,427,044	216,697
Non-current liabilities	209,732	230,822	(21,090)
Shares outstanding ⁽²⁾			
Basic	25,839,870	25,579,034	260,836
Diluted	26,545,910	26,355,613	190,297

⁽¹⁾ *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of Questor’s Management’s Discussion and Analysis for the year ended December 31, 2014.*

⁽²⁾ *Weighted average.*

Low commodity prices continue to create uncertainty in the market place and Questor's customers continue to evaluate opportunities to reduce costs, defer capital spending and concentrate on more profitable areas. The heightened global focus on emissions from flaring, climate change and the health concerns arising from the impacts of poor air quality have made it essential these issues be addressed in their operations in order to comply with regulations. Most recently, fines have been imposed for non-compliant emissions and companies have had their production curtailed in North Dakota as regulations come into force to reduce flaring.

In the U.S., Questor has strengthened its position by completing Environmental Protection Agency (EPA) Quad O testing of two of the Company's more commonly utilized incinerators. These units will serve markets where waste gas combustion for tank vapours and dehydrator emissions is required, two areas where the EPA has increased requirements for better performance. "Demand for our products is expected to grow quickly in both the sales and rental businesses", said Audrey Mascarenhas, Questor's President and CEO. "The market downturn created an opportunity for Questor to add additional talent to the marketing and sales team who will focus on the opportunities in the U.S. and Canada. We have an inventory of units available and have fabrication partners with sufficient capacity to meet new orders" she added.

The Company is currently investing in product development focused on providing its customers with an integrated solution and diversifying its product offerings. The acquisition of ClearPower Systems Inc. ("ClearPower") early in 2014, for its technology to convert waste heat into power is expected to present a valued solution for current and future customers in and outside of the oil and gas industry. Ms. Mascarenhas continued, "In response to the oil and gas industry's significant need for processed water management and cost control, we are further developing technology utilizing our waste heat to reduce water waste volumes at the well-site by up to 90 per cent at a cost of less than \$3 per barrel. We believe the market to be substantial for both technologies and anticipate revenue generation from both waste heat to power and water vaporization in the second half of 2015."

The solutions that Questor is providing are expected to enable its customers to reduce costs and improve the profitability of their operations. In the current economic environment, the option to rent equipment is attractive to both customers and the Company. Rental revenue has grown significantly in the latter part of 2014 and into 2015 and management will continue to look for opportunities to increase the contribution to cash flow from rentals. The Company has considerable financial flexibility and remains well positioned to react to opportunities in the market place.

Shareholders are invited to attend the Company's Annual General Meeting to be held on Tuesday, June 23, 2015 at 3:00 p.m. MDT in the Cardium Room of the Calgary Petroleum Club. In addition to the formal business items, management will present an overview of Questor's results for the financial year ended December 31, 2014 and first quarter ended March 31, 2015 and discuss the Company's strategic initiatives for 2015.

Questor's unaudited condensed consolidated financial statements and notes thereto and management's discussion and analysis for the three months ended March 31, 2015 will be available shortly on the Company's website at www.questortech.com and through SEDAR at www.sedar.com.

ABOUT QUESTOR TECHNOLOGY INC.

Questor is an international environmental oilfield services provider founded in late 1994 and headquartered in Calgary, Alberta, Canada with a field office located in Grande Prairie, Alberta. The Company is focused on clean air technologies with activities in Canada, the United States, Europe and Asia. Questor designs and manufactures high efficiency waste gas incinerators for sale or for use on a rental basis and also provides combustion-related oilfield services. The Company's proprietary incinerator technology destroys noxious or toxic hydrocarbon gases which enables regulatory compliance, environmental protection, public confidence and reduced operating costs for customers. Questor is recognized for its particular expertise in the combustion of sour gas (H₂S). The technology creates an opportunity to utilize the heat generated from efficient combustion which can be used for water vaporization, process heat and power generation, through ClearPower Solutions, Inc. (a subsidiary of Questor). While Questor's current customer base

operates primarily in the crude oil and natural gas industry, this technology is applicable to other industries such as landfills, water and sewage treatment, tire recycling and agriculture.

Questor trades on the TSX Venture Exchange under the symbol "QST".

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Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Stated in Canadian dollars
Unaudited

As at	March 31 2015	December 31 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,831,735	\$ 5,640,570
Trade and other receivables	2,507,417	3,044,999
Inventories	2,292,887	2,210,542
Prepaid expenses and deposits	93,226	119,667
Current tax assets	-	49,198
Total current assets	10,725,265	11,064,976
Non-current assets		
Property and equipment	3,341,783	3,408,250
Intangible assets	1,889,295	1,266,420
Goodwill	687,398	687,398
Total non-current assets	5,918,476	5,362,068
Total assets	\$ 16,643,741	\$ 16,427,044
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables, accrued liabilities, provisions	\$ 1,075,400	\$ 1,162,885
Deferred revenue and deposits	40,401	-
Current portion of lease inducement	52,002	52,002
Current tax liabilities	91,262	417,647
Total current liabilities	1,259,065	\$ 1,632,534
Non-current liabilities		
Deferred tax liabilities	153,397	161,487
Lease inducement	56,335	69,335
Total non-current liabilities	209,732	230,822
Total liabilities	1,468,797	1,863,356
Capital and reserves		
Issued capital	5,934,704	5,934,704
Reserves	972,811	875,288
Retained earnings	8,233,129	7,741,147
Cumulative translation adjustment	34,300	12,549
Total equity	15,174,944	14,563,688
Total liabilities and equity	\$ 16,643,741	\$ 16,427,044

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Stated in Canadian dollars
Unaudited

For the three months ended March 31	2015	2014
Revenue	\$ 2,369,086	\$ 3,215,437
Cost of sales	(1,169,546)	(1,772,896)
Gross profit	1,199,540	1,442,541
Administration expenses	(808,276)	(487,156)
Net foreign exchange gains	300,752	143,153
Depreciation of property and equipment	(11,457)	(11,965)
Amortization of intangible assets	(904)	(305)
Other income	30,766	2,700
Profit before tax	710,421	1,088,968
Income tax expense	(218,439)	(287,218)
Profit for the period	\$ 491,982	\$ 801,750
Other comprehensive (loss) income, net of income tax		
Exchange differences on translating foreign operations	21,751	(1,650)
Total comprehensive income for the period	\$ 513,733	\$ 800,100
Earnings per share		
Basic	\$ 0.020	\$ 0.032
Diluted	\$ 0.019	\$ 0.031

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Stated in Canadian dollars
Unaudited

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
Balance at January 1, 2015	\$ 5,934,704	\$ 875,288	\$ 7,741,147	\$ 12,549	\$ 14,563,688
Profit for the period	-	-	491,982	-	491,982
Recognition of share-based payments	-	97,523	-	-	97,523
Issue of ordinary shares under employee share option plan	-	-	-	-	-
Translation of foreign operations	-	-	-	21,751	21,751
Balance at March 31, 2015	\$ 5,934,704	\$ 972,811	\$ 8,233,129	\$ 34,300	\$ 15,174,944

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
Balance at January 1, 2014	\$ 5,636,119	\$ 703,156	\$ 4,826,280	\$ -	\$ 11,165,555
Profit and total comprehensive income	-	-	2,914,867	-	801,750
Recognition of share-based payments	-	288,742	-	-	16,711
Issue of ordinary shares under employee share option plan	298,585	(116,610)	-	-	16,750
Translation of foreign operations	-	-	-	12,549	(1,650)
Balance at December 31, 2014	\$ 5,934,704	\$ 875,288	\$ 7,741,147	\$ 12,549	\$ 14,563,688

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Stated in Canadian dollars
Unaudited

For the three months ended March 31	2015	2014
Cash flows from operating activities		
Profit for the period	\$ 513,733	\$ 800,100
Adjustments for:		
Income tax expense	218,439	287,218
Depreciation of property and equipment	115,310	65,595
Amortization of intangible assets	904	305
Net unrealized foreign exchange losses	(78,810)	85,136
Expense recognized in respect of equity-settled share-based payments	97,523	16,711
	867,099	1,255,065
Movements in non-cash working capital	569,122	(891,550)
Cash generated from operations	1,436,221	363,515
Income taxes paid	(572,433)	(583,871)
Net cash generated from (used in) operating activities	863,788	(220,356)
Cash flows used in investing activities		
Payments for property and equipment	(48,843)	(46,776)
Payments for intangible assets	(623,780)	(50,858)
Acquisition of a business	-	(1,000,710)
Net cash used in investing activities	(672,623)	(1,098,344)
Cash flows from financing activities		
Proceeds from issue of ordinary shares under employee share option plan	-	16,750
Net cash generated from financing activities	-	16,750
Net (decrease) increase in cash	191,165	(1,301,950)
Cash and cash equivalents at beginning of the period	5,640,570	7,323,303
Effects of translation of foreign currency items	-	1,673
Cash and cash equivalents at end of the period	\$ 5,831,735	\$ 6,023,026

