



**NEWS RELEASE**  
**QUESTOR TECHNOLOGY INC.**  
**ANNOUNCES FIRST QUARTER 2011 FINANCIAL RESULTS**

**Calgary, Alberta (June 28, 2011)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the three months ended March 31, 2011. The Company’s unaudited condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including restatement of its prior year results for comparative purposes.

The Company reported a loss of \$119,541 (\$0.005 per basic share) for the three months ended March 31, 2011 compared to a loss of \$163,448 (\$0.007 per basic share) for the three months ended March 31, 2010. On a comparative basis, the profit increase of \$43,907 is primarily attributable to higher incinerator sales and services revenues and lower net foreign exchange losses. Partially offsetting these impacts is reduced incinerator rental revenue and combustion services activity, a smaller income tax recovery and higher administration expenses.

**Financial Highlights Summary**

*(Stated in Canadian dollars except per share amounts)*

For the three months ended March 31	2011	2010	Increase (decrease)
Revenue <sup>(1)</sup>	<b>899,980</b>	489,629	410,351
Gross profit <sup>(2)</sup>	<b>297,612</b>	150,409	147,203
EBITDA <sup>(2)</sup>	<b>(100,476)</b>	(165,045)	64,569
Loss	<b>119,541</b>	163,448	(43,907)
Loss per share – Basic and diluted	<b>\$ 0.005</b>	\$ 0.007	\$ (0.002)
Cash used in operations before movements in working capital <sup>(2)</sup>	<b>44,565</b>	91,479	(46,914)
Total assets	<b>6,718,502</b>	6,073,528	644,974
Non-current liabilities	<b>100,655</b>	55,072	45,583

<sup>(1)</sup> Includes loss on disposal of property and equipment and other revenue.

<sup>(2)</sup> Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of this MD&A.

“Revenue increased by nearly 84 percent in first quarter 2011 compared to the same period last year. The economic and environmental value created by Questor’s clean air technologies is evident in the successful start-up of a large incinerator at a heavy oil in situ combustion development in Saskatchewan and the upcoming commissioning of our incineration and waste heat water vaporization equipment for a carbon emissions reduction and energy efficiency demonstration project in Colorado. Both of these projects have led to additional opportunities for Questor and discussions are underway with prospective customers for both



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onshore and offshore applications in the Middle East, Mexico, China, Russia and Europe. In recent weeks, we have deployed rental incinerator units to the United States and European markets to provide a solution which addresses community concerns associated with shale gas well testing activities," said Audrey Mascarenhas, President and Chief Executive Officer. "Finally, in collaboration with a major Canadian university and a leading Organic Rankine Cycle generator manufacturer, we are advancing the development of our waste heat to power technology and hope to have a demonstration site operational by the end of the year."

"We are focused on the profitability and long-term growth of the Company. The market's understanding of the economic benefits of clean combustion is evolving and the awareness of Questor's incineration products and technologies is building. We continue to position our core products and to develop new air quality solutions to capitalize on the emerging market opportunities," concluded Ms. Mascarenhas.

As previously announced, the Company was selected for *Alberta Venture's* 2011 Fast Growth 50 list, an annual ranking honoring fifty of the fastest growing companies in Alberta. This is the third year in succession that Questor has been selected. The May 2011 edition of *Alberta Venture* magazine featured the Company and Audrey Mascarenhas in an article written by Steve Macleod entitled "Growing Concern: Questor Technology Realized that Removing Waste Gas Doesn't Have to be a Waste of Money".

On June 9, 2011, Ms. Mascarenhas presented at a paper entitled "Emission Reduction: Effective, Efficient, Safe and Sustainable" at the 2011 North America Gas and Oil Expo and Conference held in Calgary, Alberta, Canada. Ms. Mascarenhas also spoke at the Regional Forum on Flaring Reduction and Gas Utilization held June 17, 2011 in Baku, Azerbaijan, an event organized by the World Bank led Global Gas Flaring Reduction (GGFR) partnership and SOCAR, Azerbaijan's national oil company. Copies of these presentations are available on the Company's website.

Questor's unaudited condensed financial statements and notes thereto and management's discussion and analysis for the three months ended March 31, 2011 will be available shortly on the Company's website at [www.questortech.com](http://www.questortech.com) and through SEDAR at [www.sedar.com](http://www.sedar.com).

## **ABOUT QUESTOR TECHNOLOGY INC.**

Questor is an international environmental oilfield service company founded in late 1994 and headquartered in Calgary, Alberta, Canada with a field office located in Grande Prairie, Alberta, Canada. 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 ensures 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 (H<sub>2</sub>S). While the Company's current customer base is primarily in the oil and 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

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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.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This document is not intended for dissemination or distribution in the United States.*

**QUESTOR TECHNOLOGY INC.**  
**CONDENSED STATEMENT OF COMPREHENSIVE LOSS**  
*Stated in Canadian dollars except per share data*  
(unaudited)

For the three months ended March 31	2011	2010
Revenue	\$ 897,876	\$ 488,117
Cost of sales	<b>(600,264)</b>	(337,708)
Gross profit	<b>297,612</b>	150,409
Administration expenses	<b>(384,269)</b>	(297,324)
Net foreign exchange losses	<b>(38,287)</b>	(47,295)
Research and development costs	<b>(20,968)</b>	(16,698)
Depreciation of property and equipment	<b>(2,888)</b>	(2,921)
Amortization of intangible assets	<b>(305)</b>	(4,010)
Loss on disposal of property and equipment	<b>(1,613)</b>	-
Finance costs	-	(504)
Other revenue	<b>3,717</b>	1,512
Loss before tax	<b>(147,001)</b>	(216,831)
Income tax income	<b>27,460</b>	53,383
<b>Loss and comprehensive loss</b>	<b>\$ (119,541)</b>	<b>\$ (163,448)</b>
<b>Loss per share – Basic and diluted</b>	<b>\$ (0.005)</b>	<b>\$ (0.007)</b>

**QUESTOR TECHNOLOGY INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
*Stated in Canadian dollars*  
(unaudited)

As at	March 31 2011	December 31 2010
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 3,950,136	\$ 3,995,669
Trade and other receivables	1,020,352	1,873,636
Current tax assets	110,444	362
Inventories	398,698	313,567
Prepaid expenses and deposits	60,861	107,467
<b>Total current assets</b>	<b>5,540,491</b>	<b>6,290,701</b>
<b>Non-current assets</b>		
Property and equipment	1,098,034	1,037,565
Intangible assets	10,454	10,759
Deferred tax assets	69,523	49,695
<b>Total non-current assets</b>	<b>1,178,011</b>	<b>1,098,019</b>
<b>Total assets</b>	<b>\$ 6,718,502</b>	<b>\$ 7,388,720</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables, accrued liabilities and provisions	\$ 625,381	\$ 852,821
Current tax liabilities	13,408	230,746
Deferred revenue and deposits	31,944	146,485
<b>Total current liabilities</b>	<b>670,733</b>	<b>1,230,052</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	100,655	108,287
<b>Total liabilities</b>	<b>771,388</b>	<b>1,338,339</b>
<b>Capital and reserves</b>		
Issued capital	5,404,966	5,404,966
Reserves	610,218	593,944
(Deficit) retained earnings	(68,070)	51,471
<b>Total equity</b>	<b>5,947,114</b>	<b>6,050,381</b>
<b>Total liabilities and equity</b>	<b>\$ 6,718,502</b>	<b>\$ 7,388,720</b>

**QUESTOR TECHNOLOGY INC.**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**

*Stated in Canadian dollars*  
(unaudited)

	Issued capital	Reserves	(Deficit) retained earnings	Total equity
<b>Balance at January 1, 2010</b>	\$ 5,265,736	\$ 573,349	\$ (393,589)	\$ 5,445,496
Loss	-	-	(163,448)	(163,448)
Recognition of share-based payments	-	26,308	-	26,308
Issue of ordinary shares under employee share option plan	-	-	-	-
<b>Balance at March 31, 2010</b>	5,265,736	599,657	(557,037)	5,308,356
Profit	-	-	608,508	608,508
Recognition of share-based payments	-	63,517	-	63,517
Issue of ordinary shares under employee share option plan	139,230	(69,230)	-	70,000
<b>Balance at December 31, 2010</b>	5,404,966	593,944	51,471	6,050,381
Loss	-	-	(119,541)	(119,541)
Recognition of share-based payments	-	16,274	-	16,274
Issue of ordinary shares under employee share option plan	-	-	-	-
<b>Balance at March 31, 2011</b>	<b>\$ 5,404,966</b>	<b>\$ 610,218</b>	<b>\$ (68,070)</b>	<b>\$ 5,947,114</b>

**QUESTOR TECHNOLOGY INC.**  
**CONDENSED STATEMENT OF CASH FLOWS**

*Stated in Canadian dollars*  
(unaudited)

For the three months ended March 31	2011	2010
<b>Cash flows from operating activities</b>		
Loss	\$ (119,541)	\$ (163,448)
Adjustments for:		
Income tax income recognized in loss	(27,460)	(53,383)
Finance costs recognized in loss	-	504
Loss on disposal of property and equipment	1,613	-
Depreciation of property and equipment	46,220	47,272
Amortization of intangible assets	305	4,010
Net foreign exchange loss	38,024	47,258
Expense recognized in respect of equity-settled share-based payments	16,274	26,308
	<b>(44,565)</b>	<b>(91,479)</b>
Movements in working capital	<b>350,983</b>	293,135
Cash generated from operations	<b>306,418</b>	201,656
Income taxes paid	<b>(215,000)</b>	-
Net cash generated by operating activities	<b>91,418</b>	201,656
<b>Cash flows from investing activities</b>		
Movements in working capital	<b>(28,984)</b>	(275)
Payments for property and equipment	<b>(82,518)</b>	(3,439)
Proceeds from disposal of property and equipment	<b>3,200</b>	-
Net cash used in investing activities	<b>(108,302)</b>	(3,714)
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	(5,077)
Interest paid	-	(504)
Net cash used in financing activities	-	(5,581)
<b>Net increase (decrease) in cash</b>	<b>(16,884)</b>	192,361
Cash at beginning of period	<b>3,995,669</b>	3,080,997
Effects of exchange rate changes on the balance of cash held in foreign currencies	<b>(28,649)</b>	(44,935)
<b>Cash at end of period</b>	<b>\$ 3,950,136</b>	<b>\$ 3,228,423</b>