
NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, Questor Technology Inc. discloses that its auditors have not reviewed the unaudited interim financial statements for the three-month periods ended March 31, 2009 and March 31, 2008.

QUESTOR TECHNOLOGY INC.
BALANCE SHEETS
(unaudited)

As at	March 31 2009	December 31 2008
ASSETS		
Current assets		
Cash and cash equivalents <i>(note 3)</i>	\$ 3,201,093	\$ 3,259,037
Accounts receivable	1,587,067	1,767,823
Inventory <i>(note 4)</i>	460,745	384,914
Prepaid expenses and deposits	55,761	80,340
Deferred expenses	45,390	29,160
	5,350,056	5,521,274
Property and equipment	1,239,656	1,176,529
Intangibles	37,430	44,680
Deferred expenses	-	30,575
	\$ 6,627,142	\$ 6,773,058
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 645,716	\$ 667,792
Current portion of long-term debt	32,692	37,498
Income and other taxes payable	8,003	285,795
Deferred revenue and deposits	215,564	146,707
Future income tax liability	5,548	9,281
	907,523	1,147,073
Long-term debt	10,155	15,232
Other long-term liabilities	-	30,575
Future income tax liability	35,107	26,710
	952,785	1,219,590
Shareholders' equity		
Share capital <i>(note 5)</i>	5,265,736	5,265,736
Contributed surplus <i>(note 6)</i>	321,752	283,552
Retained earnings	86,869	4,180
	5,674,357	5,553,468
	\$ 6,627,142	\$ 6,773,058

See accompanying notes to the interim financial statements.

QUESTOR TECHNOLOGY INC.
STATEMENTS OF INCOME, COMPREHENSIVE INCOME
AND RETAINED EARNINGS (DEFICIT)
(unaudited)

For the three months ended March 31	2009	2008
Revenue		
Incinerator sales and services	\$ 572,592	\$ 277,637
Incinerator rentals and services	439,270	244,414
Combustion services	146,006	86,452
	1,157,868	608,503
Less: Direct costs	713,893	505,349
	443,975	103,154
Other revenue	5,328	17,590
Expenses		
General and administrative	364,627	306,294
Foreign exchange gain	(42,339)	(132,513)
Depreciation and amortization	10,257	9,696
	332,545	183,477
Income (loss) before interest expense and income tax expense	116,758	(62,733)
Interest expense		
Short-term debt	322	321
Long-term debt	504	504
Income (loss) before income tax expense	115,932	(63,558)
Income tax expense		
Current income tax	28,579	-
Future income tax	4,664	1,490
Net income (loss) and comprehensive income (loss)	82,689	(65,048)
Retained earnings (deficit), beginning of period	4,180	(623,876)
Retained earnings (deficit), end of period	\$ 86,869	\$ (688,924)
Net income (loss) per share (note 5)		
Basic	\$ 0.003	\$ (0.003)
Diluted	\$ 0.003	\$ (0.003)
Weighted average number of shares outstanding (note 5)		
Basic	24,007,370	23,794,870
Diluted	24,384,818	23,794,870

See accompanying notes to the interim financial statements.

QUESTOR TECHNOLOGY INC.
STATEMENTS OF CASH FLOWS

(unaudited)

For the three months ended March 31	2009	2008
Operating activities		
Net income	\$ 82,689	\$ (65,048)
Items not involving cash:		
Depreciation and amortization	38,401	38,584
Future income taxes	4,664	1,490
Share-based compensation <i>(note 6)</i>	38,200	36,986
Write-down of inventory <i>(note 4)</i>	159	-
	164,113	12,012
Net change in non-cash working capital <i>(note 10)</i>	(141,654)	266,956
Foreign exchange gain on cash	(17,545)	(117,223)
	4,914	161,745
Investing activities		
Additions to property and equipment	(70,520)	(20,403)
Additions to development costs	-	(9,372)
	(70,520)	(29,775)
Financing activities		
Repayment of short-term debt	-	(77,151)
Repayment of long-term debt	(9,883)	(17,184)
	(9,883)	(94,335)
Effect of exchange rates on cash	17,545	117,223
Increase (decrease) in cash and cash equivalents	(57,944)	154,858
Cash and cash equivalents, beginning of period	3,259,037	2,753,997
Cash and cash equivalents, end of period	\$ 3,201,093	\$ 2,908,855

See accompanying notes to the interim financial statements.

QUESTOR TECHNOLOGY INC.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

(unaudited)

1. NATURE OF OPERATIONS

Questor Technology Inc. (“Questor” or the “Company”) is incorporated under the *Business Corporations Act (Alberta)* and has its headquarters in Calgary, Alberta, Canada and a field office in Grande Prairie, Alberta, Canada.

Questor is an international environmental oil field service company focused on clean air technologies with activities in Canada, the United States, Europe and Asia. The principal business activities are designing and manufacturing high efficiency waste gas incinerators for sale or for use on a rental basis and providing combustion-related field services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared by management in Canadian dollars in accordance with Canadian generally accepted accounting principles (“GAAP”). These unaudited interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the 2008 audited financial statements included in the Company’s annual report. The accounting policies applied are consistent with those outlined in the Company’s audited financial statements for the year ended December 31, 2008, except as described below.

Changes in Accounting Policies

Effective January 1, 2009 the Company adopted the new Canadian Institute of Chartered Accountants (“CICA”) Handbook accounting requirements for Section 3064 “Goodwill and Intangible Assets”. The purpose of this Section is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. In accordance with the transitional provisions for this new standard, this policy was adopted prospectively and without restatement of prior periods and did not have any impact to the Company’s results of operations and financial position.

Future Accounting Changes

International Financial Reporting Standards (IFRS)

In February 2008 the Accounting Standards Board (“AcSB”) of the Canadian Institute of Chartered Accountants (“CICA”) confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (“IFRS”) for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 and will require restatement of comparative figures. The Company expects that the adoption of IFRS will impact accounting policies, financial reporting, information systems and business processes. Questor is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position, results of operations and disclosures is not reasonably determinable or estimable.

Business Combinations

In January 2009, the AcSB issued Section 1582, “Business Combinations”, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combinations and related disclosure. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier application permitted. This Section is not expected to have any effect on the Company’s results of operations or financial position.

Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the AcSB issued Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling Interests", which replaces existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier application permitted. These Sections are not expected to have any effect on the Company's results of operations or financial position.

3. CASH AND CASH EQUIVALENTS

Certain cash and cash equivalent balances are held in foreign currencies of which the Canadian dollar equivalent is as follows:

As at	March 31 2009	December 31 2008
United States dollars	\$ 387,253	\$ 767,473
Euros	5,808	5,921
Other non-Canadian	681	547
	393,742	773,941
Canadian dollars	2,807,351	2,485,096
	\$ 3,201,093	\$ 3,259,037

4. INVENTORY

As at	March 31 2009	December 31 2008
Materials and supplies	\$ 128,844	\$ 121,585
Work in progress	54,184	126,413
Finished goods	277,717	136,916
	\$ 460,745	\$ 384,914

The carrying amount of inventory charged to direct costs in the period was \$379,940 (2008 - \$181,284). Included in the cost of inventory recognized as an expense in the current period were materials and supplies written down by \$159 (2008 - \$nil) to reflect obsolescence, damage and loss. There were no reversals of any write-downs in the current or comparative periods.

5. SHARE CAPITAL

Shares Issued and Outstanding

	Number	Amount
Shares issued and outstanding, December 31, 2008 and March 31, 2009	24,007,370	\$ 5,265,736

Share Option Plan

The Company has a share option plan under which directors, officers, key employees and consultants of Questor are eligible to receive grants at market prices. Options may be granted to purchase authorized but unissued common shares of the Company to a maximum of 4,708,474 shares. To March 31, 2009, options granted under the plan had a term of five years to expiry and vested no longer than over a four-year period.

The following tables summarize the information about the Company's share option plan as at March 31, 2009:

	Number of options	Exercise price ⁽¹⁾
Share options outstanding, beginning and end of period	1,775,000	\$ 0.35
Share options exercisable, beginning and end of period	843,750	\$ 0.23

(1) *Weighted average.*

There were no grants, exercises, expirations, cancellations or forfeitures of share options during the three months ended March 31, 2009.

Options Outstanding			Options Exercisable	
Number Outstanding	Exercise price ⁽¹⁾	Remaining contractual life ⁽²⁾	Number Exercisable	Exercise price ⁽¹⁾
700,000	\$ 0.10	1.64	518,750	\$ 0.10
300,000	0.18	2.50	150,000	0.18
75,000	0.43	4.04	-	-
700,000	0.67	3.41	175,000	0.67
1,775,000	\$ 0.35	2.59	843,750	\$ 0.23

(1) *Weighted average.*

(2) *Weighted average number of years.*

Weighted Average Number of Shares Outstanding

For the three months ended March 31	2009	2008
Number of shares – Basic	24,007,370	23,794,870
Dilutive share options	377,448	-
Number of shares – Diluted	24,384,818	23,794,870

775,000 share options were excluded in the computation of weighted average number of diluted shares outstanding for the three-month period ended March 31, 2009 because the average market price of Questor's shares during the period was lower than the exercise price of these share options and therefore they were anti-dilutive. The share options outstanding for the three-month period ended March 31, 2008 were not included in the computation of weighted average number of diluted common shares outstanding as the Company realized a net loss during this period and the effect would be anti-dilutive.

6. CONTRIBUTED SURPLUS

As at	March 31 2009	December 31 2008
Contributed surplus, beginning of period	\$ 283,552	\$ 140,350
Share-based compensation expense	38,200	152,011
Transferred to share capital from exercise of share options	-	(8,809)
Contributed surplus, end of period	\$ 321,752	\$ 283,552

7. CAPITAL

The Company's objectives when managing capital are to:

- Deploy capital to provide an appropriate return on investment to its shareholders;
- Maintain financial flexibility in order to preserve the Company's ability to meet financial obligations; and
- Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is designed and formulated to maintain a flexible capital structure consistent with the objectives as stated above and to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management but rather promotes year-over-year sustainable profitable growth. The Company is not subject to any externally imposed capital requirements other than the financial tests and covenants associated with its credit facilities as described in Note 7 to the Company's audited financial statements for the year ended December 31, 2008. At March 31, 2009 Questor was in compliance with these covenants.

The Company capital structure consists of shareholders' equity, short-term and long-term debt, cash and cash equivalents. In order to maintain or alter the capital structure, the Company may adjust capital spending, refinance existing debt, raise new debt and issue common shares. It is expected, however, that Questor's funds generated from operations and cash and cash equivalent amounts will provide sufficient capital resources and liquidity to fund existing operations in 2009 and anticipated capital expenditures.

A key measure the Company utilizes in evaluating its capital structure is the ratio of debt-to-total capitalization. Debt-to-total capitalization is calculated as debt divided by total capitalization. Debt is defined as total short- and long-term debt unadjusted for cash balances. Total capitalization is defined as the sum of debt unadjusted for cash balances and shareholders' equity. Questor's target is to have debt-to-total capitalization of no greater than 35 percent.

The debt-to-total capitalization ratios at March 31, 2009 and December 31, 2008 were as follows:

As at	March 31 2009	December 31 2008
Short-term debt	\$ -	\$ -
Long-term debt – current and non-current	42,847	52,730
Debt	42,847	52,730
Shareholders' equity	5,674,357	5,553,468
Total capitalization	5,717,204	5,606,198
Debt-to-total capitalization ratio (%)	0.7	0.9

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to market risk and potential loss from changes in the value of financial instruments.

Fair Value

The carrying value of the current financial assets and liabilities of Questor approximate their fair value due to their short period to maturity. The carrying value of short-term debt approximates the fair value as it bears interest at a floating interest rate as described in Note 7 to the Company's audited financial statements for the year ended December 31, 2008. The carrying value of long-term debt also approximates fair value as the fair value of long-term debt is estimated using discounted cash flows based on current rates of interest.

The Company assesses quarterly if there should be any impairment of the financial assets of the Company. At March 31, 2009 there was no impairment required on any of the financial assets of the Company.

Credit Risk and Economic Dependence

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Financial instruments that subject the Company to credit risk consist primarily of accounts receivable. Accounts receivable credit exposure is minimized by entering into transactions with creditworthy counterparties, requiring letters of credit in respect of international sales and monitoring the age and balances outstanding on an ongoing basis. Most of the Company's credit exposures are with counterparties in the energy industry and are subject to normal industry credit risk. Payment terms with customers are 30 days from invoice date however industry practice can extend these terms.

The following table sets forth details of the ageing profile of accounts receivable and the allowance for doubtful accounts:

As at	March 31 2009	December 31 2008
Accounts receivable – current and past due for less than 30 days	\$ 987,989	\$ 1,352,153
Accounts receivable – past due for between 31 and 90 days	474,535	284,873
Accounts receivable – past due for 91 days or longer	190,509	196,763
Total gross accounts receivable	1,653,033	1,833,789
Allowance for doubtful accounts	(65,966)	(65,966)
Total net accounts receivable	\$ 1,587,067	\$ 1,767,823

Four customers represented 55.6 percent of the Company's accounts receivable at March 31, 2009 (December 31, 2008 – One customer represented 43.1 percent). As at May 27, 2009, the Company has collected 80 percent of the amounts owing from these customers.

Two customers represented 84.7 percent of the accounts receivable past due for 91 days or longer at March 31, 2009 (December 31, 2008 - Two counterparties representing 80.7 percent). As at May 27, 2009, \$105,502 remains uncollected.

Revenue from the top ten customers represented 92.7 percent of the Company's total revenue in the three months ended March 31, 2009 (2008 – Top ten customers represented 92.3 percent). Revenue from one customer represented 23 percent of the Company's total revenue in the current period (2008 – One customer represented 25.8 percent).

The credit risk on cash and cash equivalent balances is limited because the counterparty is a large commercial bank in Canada.

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company draws on its revolving demand operating loan facility to fund its operations with floating rate debt which exposes Questor to changes in interest payments due to fluctuations in interest rates as described in Note 7 to the Company's audited financial statements for the year ended December 31, 2008.

The Company currently does not use interest rate hedges or fixed interest rate contracts to manage the Company's exposure to interest rate fluctuations.

Foreign Exchange Risk

Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash and cash equivalent balances and enters into transactions denominated in foreign currencies, principally in United States dollars and Euros, which exposes Questor to fluctuating balances and cash flows due to variations in foreign exchange rates.

As at March 31, 2009, \$394,981 (December 31, 2008 – \$853,788) of the Company's accounts receivable was denominated in United States dollars.

As at March 31, 2009, less than 1 percent (December 31, 2008 – 6 percent) of the Company's accounts payable and accrued liabilities were denominated in foreign currencies.

To date, Questor has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates. However, the Company has a facility available to it, as described in Note 7 to the Company's audited financial statements for the year ended December 31, 2008, to purchase foreign forward exchange contracts if required.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on cash deposits, funds generated from operations, deposits received from customers in respect of a sale and credit facilities to provide sufficient liquidity to meet budgeted operating requirements and to supply capital to finance the development of new clean air technologies or acquisitions.

At March 31, 2009, the Company has the following contractual maturities with respect to non-derivative financial liabilities:

	Maturity	March 31 2009
Accounts payable and accrued liabilities	Within 1 year	\$ 645,716
Income and other taxes payable	Within 1 year	8,003
Long-term debt – current and non-current	September 2010	42,847
		\$ 696,566

9. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company may transact with related parties. These transactions are recorded at their exchange amounts which approximate fair value. In February 2009, Questor acquired a service vehicle at market value for \$45,184 from a corporation owned by a director of the Company. There were no related party transactions in 2008.

There were no amounts owing from or to related parties included in accounts receivable and accounts payable and accrued liabilities at March 31, 2009 or December 31, 2008.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in the following non-cash working capital items increased (decreased) cash flows related to operating activities as follows:

For the three months ended March 31	2009	2008
Accounts receivable	\$ 180,756	\$ 47,742
Inventory	(75,990)	73,665
Prepaid expenses and deposits	24,579	47,773
Deferred expenses	(16,230)	-
Accounts payable and accrued liabilities	(22,076)	127,663
Income and other taxes payable	(277,791)	(3,039)
Deferred revenue and deposits	68,857	(34,129)
	(117,895)	259,675
Capital costs included in accounts payable and accrued liabilities	(23,759)	7,281
	\$ (141,654)	\$ 266,956

The following cash payments have been included in the determination of net income:

For the three months ended March 31	2009	2008
Interest paid	\$ 826	\$ 840
Income taxes paid	\$ 301,729	\$ -

11. SEGMENTED INFORMATION

The Company reports its financial results as one reportable segment.

The following tables provide information regarding total revenue and property and equipment on a geographic basis.

Total Revenue

For the three months ended March 31	2009	2008
Canada	\$ 1,155,720	\$ 576,958
United States	7,476	49,135
	\$ 1,163,196	\$ 626,093

Property and Equipment

As at	March 31 2009	December 31 2008
Canada	\$ 958,357	\$ 890,765
Italy	281,299	285,764
	\$ 1,239,656	\$ 1,176,529

The Company's intangible assets are all located in Canada.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current financial statement presentation.

13. SUBSEQUENT EVENTS

On May 1, 2009, subject to regulatory approval, the Company issued a grant of share options to select officers, employees and contractors entitling the purchase of up to 400,000 common shares at \$0.25 per share, exercisable for a period of five years and vesting in accordance with the provisions of the Company's share option plan.