
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 and six-month periods ended June 30, 2009 and June 30, 2008.

QUESTOR TECHNOLOGY INC.
BALANCE SHEETS
(unaudited)

As at	June 30 2009	December 31 2008
ASSETS		
Current assets		
Cash and cash equivalents <i>(note 3)</i>	\$ 3,107,827	\$ 3,259,037
Accounts receivable	1,578,137	1,761,597
Income and other taxes receivable	29,973	6,226
Inventory <i>(note 4)</i>	400,796	384,914
Prepaid expenses and deposits	41,861	80,340
Deferred expenses	31,045	29,160
	5,189,639	5,521,274
Property and equipment	1,214,339	1,176,529
Intangibles	30,181	44,680
Deferred expenses	-	30,575
	\$ 6,434,159	\$ 6,773,058
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 397,903	\$ 667,792
Current portion of long-term debt	27,886	37,498
Income and other taxes payable	8,346	285,795
Deferred revenue and deposits	218,729	146,707
Future income tax liability	-	9,281
	652,864	1,147,073
Long-term debt	5,077	15,232
Other long-term liabilities	-	30,575
Future income tax liability	39,519	26,710
	697,460	1,219,590
Shareholders' equity		
Share capital <i>(note 6)</i>	5,265,736	5,265,736
Contributed surplus <i>(note 7)</i>	363,063	283,552
Retained earnings	107,900	4,180
	5,736,699	5,553,468
	\$ 6,434,159	\$ 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 June 30		Six months ended June 30	
	2009	2008	2009	2008
Revenue				
Incinerator sales and services	\$ 932,382	\$ 16,727	\$ 1,504,974	\$ 294,364
Incinerator rentals and services	132,024	108,970	571,294	353,384
Combustion services	115,169	71,658	261,175	158,110
	1,179,575	197,355	2,337,443	805,858
Less: Direct costs	809,712	224,633	1,523,605	729,982
	369,863	(27,278)	813,838	75,876
Other revenue (notes 5 and 8)	49,009	189,809	54,337	207,399
Expenses				
General and administrative	333,592	320,642	698,219	626,936
Foreign exchange loss (gain)	20,980	31,619	(21,359)	(100,894)
Depreciation and amortization	10,369	10,237	20,626	19,933
	364,941	362,498	697,486	545,975
Income (loss) before interest expense and income tax expense	53,931	(199,967)	170,689	(262,700)
Interest expense				
Short-term debt	-	4,176	322	4,497
Long-term debt	504	504	1,008	1,008
Income (loss) before income tax expense	53,427	(204,647)	169,359	(268,205)
Income tax expense				
Current income tax	33,532	37,711	62,111	37,711
Future income tax (recovery)	(1,136)	(72,481)	3,528	(70,991)
Net income (loss) and comprehensive income (loss)	21,031	(169,877)	103,720	(234,925)
Retained earnings (deficit), beginning of period	86,869	(688,924)	4,180	(623,876)
Retained earnings (deficit), end of period	\$ 107,900	\$ (858,801)	\$ 107,900	\$ (858,801)
Net income (loss) per share (note 6)				
Basic and diluted	\$ 0.001	\$ (0.007)	\$ 0.004	\$ (0.010)
Weighted average number of shares outstanding (note 6)				
Basic	24,007,370	23,794,870	24,007,370	23,794,870
Diluted	24,709,526	23,794,870	24,553,537	23,794,870

See accompanying notes to the interim financial statements.

QUESTOR TECHNOLOGY INC.
STATEMENTS OF CASH FLOWS
(unaudited)

For the	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Operating activities				
Net income	\$ 21,031	\$ (169,877)	\$ 103,720	\$ (234,925)
Items not involving cash:				
Depreciation and amortization	40,601	38,377	79,002	76,961
Future income taxes	(1,136)	(72,481)	3,528	(70,991)
Share-based compensation <i>(note 7)</i>	41,311	37,531	79,511	74,517
Gain on disposition of assets <i>(note 5)</i>	-	(99,268)	-	(99,268)
	101,807	(265,718)	265,761	(253,706)
Net change in non-cash working capital <i>(note 13)</i>	(154,887)	(516,327)	(296,382)	(249,371)
Foreign exchange loss (gain) on cash	47,694	34,451	30,149	(82,772)
	(5,386)	(747,594)	(472)	(585,849)
Investing activities				
Additions of property and equipment	(30,303)	(10,033)	(100,823)	(30,435)
Dispositions of property and equipment <i>(note 5)</i>	-	139,733	-	139,733
Decrease to development costs	-	9,373	-	-
	(30,303)	139,073	(100,823)	109,298
Financing activities				
Increase to short-term debt	-	296,710	-	219,559
Repayment of long-term debt	(9,883)	(15,067)	(19,766)	(32,251)
	(9,883)	281,643	(19,766)	187,308
Effect of exchange rates on cash	(47,694)	(34,451)	(30,149)	82,772
Decrease in cash and cash equivalents	(93,266)	(361,329)	(151,210)	(206,471)
Cash and cash equivalents, beginning of period	3,201,093	2,908,855	3,259,037	2,753,997
Cash and cash equivalents, end of period	\$ 3,107,827	\$ 2,547,526	\$ 3,107,827	\$ 2,547,526

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)

All 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	June 30 2009	December 31 2008
United States dollars	\$ 487,611	\$ 767,473
Euros	4,437	5,921
Other non-Canadian	106	547
	492,154	773,941
Canadian dollars	2,615,673	2,485,096
	\$ 3,107,827	\$ 3,259,037

4. INVENTORY

As at	June 30 2009	December 31 2008
Materials and supplies	\$ 107,331	\$ 121,585
Work in progress	190,453	126,413
Finished goods	103,012	136,916
	\$ 400,796	\$ 384,914

In the three month period ended June 30, 2009, the carrying amount of inventory charged to direct costs was \$526,307 (2008 - \$40,755). In the six month period ended June 30, 2009, the carrying amount of inventory charged to direct costs was \$906,427 (2008 - \$222,039).

Included in the cost of inventory recognized as an expense in the current period were materials and supplies written down from cost to net realizable value in the amount of \$78 (2008 - \$nil). Included in the cost of inventory recognized as an expense in the current period were materials and supplies written down from cost to net realizable value in the amount of \$237 (2008 - \$nil). There were no reversals of any write-downs in the current or comparative periods.

5. DISPOSITION

In second quarter 2008, the Company sold an incinerator from its rental fleet with a net book value of \$37,980 for gross proceeds of \$139,733, resulting in a net gain on sale of \$99,268 after deducting customization costs of \$2,485. The net gain on sale is included in other revenue.

The Company has not disposed of any incinerators from its rental fleet during 2009.

6. SHARE CAPITAL

Shares Issued and Outstanding

	Number	Amount
Shares issued and outstanding, December 31, 2008 and June 30, 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 June 30, 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 June 30, 2009:

	Number of options	Exercise price ⁽¹⁾
Share options outstanding, beginning of period	1,775,000	\$ 0.35
Granted	400,000	0.25
Exercised	-	-
Expired	-	-
Forfeited	-	-
Share options outstanding, end of period	2,175,000	\$ 0.33
Share options exercisable, end of period	862,500	\$ 0.24

⁽¹⁾ Weighted average.

Options Outstanding			Options Exercisable	
Number Outstanding	Exercise price ⁽¹⁾	Remaining contractual life ⁽²⁾	Number Exercisable	Exercise price ⁽¹⁾
700,000	\$ 0.10	1.39	518,750	\$ 0.10
300,000	0.18	2.25	150,000	0.18
400,000	0.25	4.84	-	-
75,000	0.43	3.79	18,750	0.43
700,000	0.67	3.16	175,000	0.67
2,175,000	\$ 0.33	2.80	862,500	\$ 0.24

⁽¹⁾ Weighted average.

⁽²⁾ Weighted average number of years.

Weighted Average Number of Shares Outstanding

For the	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Number of shares – Basic	24,007,370	23,794,870	24,007,370	23,794,870
Dilutive share options	702,156	-	546,167	-
Number of shares – Diluted	24,709,526	23,794,870	24,553,537	23,794,870

775,000 share options were excluded in the computation of weighted average number of diluted shares outstanding for the three and six month periods ended June 30, 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 and six month periods ended June 30, 2008 were not included in the computation of weighted average number of diluted common shares outstanding as the Company realized a net loss during these periods and the effect would be anti-dilutive.

7. CONTRIBUTED SURPLUS

As at	June 30 2009	December 31 2008
Contributed surplus, beginning of period	\$ 283,552	\$ 140,350
Share-based compensation expense	79,511	152,011
Transferred to share capital from exercise of share options	-	(8,809)
Contributed surplus, end of period	\$ 363,063	\$ 283,552

8. GOVERNMENT ASSISTANCE

In second quarter 2009, the Company received government assistance of \$44,078 (2008 - \$77,508) as a consequence of Scientific Research and Experimental Development claims. This amount is included in other revenue.

9. 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 June 30, 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 June 30, 2009 and December 31, 2008 were as follows:

As at	June 30 2009	December 31 2008
Short-term debt	\$ -	\$ -
Long-term debt – current and non-current	32,963	52,730
Debt	32,963	52,730
Shareholders' equity	5,736,699	5,553,468
Total capitalization	5,769,662	5,606,198
Debt-to-total capitalization ratio (%)	0.6	0.9

10. 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 June 30, 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	June 30 2009	December 31 2008
Current	\$ 679,164	\$ 1,086,712
31 – 60 days	372,916	272,210
61 – 90 days	51,652	12,663
Greater than 90 days	260,372	126,760
Billed receivables	1,364,104	1,498,345
Allowance for doubtful accounts	(65,966)	(65,966)
Billed receivables, net	1,298,138	1,432,379
Unbilled receivables	279,999	329,218
Total accounts receivable, net	\$ 1,578,137	\$ 1,761,597

Two customers represented 50 percent of the Company's total net accounts receivable at June 30, 2009 (December 31, 2008 – One customer represented 43 percent). As at August 27, 2009, the Company has collected 35 percent of the amounts owing from these customers.

Five customers comprise the accounts receivable amounts past due for greater than 90 days which remain after application of the allowance for doubtful accounts at June 30, 2009 (December 31, 2008 - Four customers). As at August 27, 2009, \$53,650 remains uncollected.

Revenue from the top ten customers represented 95 percent of the Company's total revenue in the three months ended June 30, 2009 and 86 percent of the Company's total revenue in the six months ended June 30, 2009 (2008 – Top ten customers represented 49 percent and 72 percent, respectively). Revenue from one customer represented 57 percent of the Company's total revenue in second quarter 2009 and 29 percent of the Company's total revenue for the first half of 2009 (2008 – One customer represented 21 percent and 17 percent, respectively).

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 June 30, 2009, \$703,660 (December 31, 2008 – \$853,788) of the Company's accounts receivable was denominated in United States dollars.

As at June 30, 2009, the Company had no accounts payable and accrued liabilities denominated in foreign currencies (December 31, 2008 – \$40,342).

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 June 30, 2009, the Company has the following contractual maturities with respect to non-derivative financial liabilities:

	Maturity	June 30 2009
Accounts payable and accrued liabilities	Within 1 year	\$ 397,903
Income and other taxes payable	Within 1 year	8,346
Long-term debt – current and non-current	September 2010	32,963
		\$ 439,212

11. 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 June 30, 2009 or December 31, 2008.

12. 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 June 30		Six months ended June 30	
	2009	2008	2009	2008
Canada	\$ 534,032	\$ 376,421	\$ 1,689,752	\$ 953,379
United States	694,552	8,486	702,028	57,621
Other international	-	2,257	-	2,257
	\$ 1,228,584	\$ 387,164	\$ 2,391,780	\$ 1,013,257

Property and Equipment

As at	June 30 2009	December 31 2008
Canada	\$ 937,505	\$ 890,765
Italy	276,834	285,764
	\$ 1,214,339	\$ 1,176,529

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

13. 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 June 30		Six months ended June 30	
	2009	2008	2009	2008
Accounts receivable	\$ 8,930	\$ (136,540)	\$ 183,460	\$ (96,866)
Income and other taxes receivable	(29,973)	(7,620)	(23,747)	448
Inventory	59,949	(59,958)	(15,882)	13,707
Prepaid expenses and deposits	13,901	10,283	38,480	58,056
Deferred expenses	14,345	-	(1,885)	-
Accounts payable and accrued liabilities	(247,813)	(211,179)	(269,889)	(83,516)
Income and other taxes payable	342	(104,036)	(277,449)	(107,075)
Deferred revenue and deposits	3,164	54,269	72,021	20,140
	(177,155)	(454,781)	(294,891)	(195,106)
Capital costs included in accounts payable and accrued liabilities	22,268	(2,425)	(1,491)	4,856
Investment tax credit included in income and other taxes payable	-	(59,121)	-	(59,121)
	\$ (154,887)	\$ (516,327)	\$ (296,382)	\$ (249,371)

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

For the	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Interest paid	\$ 504	\$ 3,793	\$ 1,330	\$ 4,633
Income taxes paid	\$ -	\$ 138,422	\$ 301,729	\$ 138,422

14. COMPARATIVE FIGURES

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