



NEWS RELEASE
QUESTOR TECHNOLOGY INC.
ANNOUNCES SECOND QUARTER 2010 FINANCIAL RESULTS

Calgary, Alberta (August 25, 2010) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the three and six month periods ended June 30, 2010

The Company reported net income of \$167,156 (\$0.007 per basic share) for the second quarter of 2010 compared to net income of \$21,031 (\$0.001 per basic share) for the same quarter of 2009. The net income increase of \$146,125 is primarily attributable to the higher margin sales and services revenue mix occurring in the three months ended June 30, 2010 and the foreign exchange gain recorded in second quarter 2010 compared to the foreign exchange loss recognized in the same period of 2009. Partially offsetting these impacts are higher income tax expense and lower other revenue in second quarter 2010.

Net income for the six months ended June 30, 2010 is \$2,136 (\$0.000 per basic share) compared to net income of \$103,720 (\$0.004 per basic share) for the six months ended June 30, 2009. The decrease in net income of \$101,584 is attributable to lower incinerator sales and other revenues, partially offset by higher foreign exchange gains and incinerator rentals and services margins and by lower general and administrative and income tax expenses in the first half of 2010.

Financial Results Summary

(\$ unless otherwise noted)

For the	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Total revenue	1,161,202	1,228,584	1,650,830	2,391,780
Gross margin ⁽¹⁾	475,812	369,863	636,354	813,838
EBITDA ⁽¹⁾	277,413	94,532	100,288	249,692
Net income	167,156	21,031	2,136	103,720
Funds generated from operations ⁽¹⁾	128,881	122,761	36,896	328,601
Total assets	6,929,694	6,434,159	6,929,694	6,434,159
Long-term liabilities	87,698	44,596	87,698	44,596
Shares outstanding <i>(thousands)</i> ⁽²⁾				
Basic	24,067	24,007	24,037	24,007
Diluted	24,603	24,710	24,615	24,554
Net income per share – Basic and diluted	\$ 0.007	\$ 0.001	\$ 0.000	\$ 0.004

⁽¹⁾ *Non-GAAP financial measure. Please see discussion in the Non-GAAP Financial Measures section of the Company’s Management’s Discussion and Analysis for the three and six months ended June 30, 2010.*

⁽²⁾ *Weighted average.*



“Questor has confirmed incinerator sales orders of \$2.4 million of which approximately \$1.6 million will be delivered in third quarter 2010 and the balance in fourth quarter 2010 in accordance with the current customer-specified schedule,” said Audrey Mascarenhas, President and Chief Executive Officer. “The combined value of the confirmed incinerator sales orders and total revenue generated in the first half of the year means we are already on track to achieve total revenue in 2010 that is slightly ahead of 2009 total revenue results. We continue to actively pursue new business opportunities and currently have proposals outstanding in excess of \$41 million which is approximately \$9 million more than the bids outstanding at this time last year.”

“The heightened focus on the environment continues to hold promise for Questor’s technology solutions and services,” concluded Ms. Mascarenhas.

The Company continues to build market awareness for its expertise in matters relating to clean air technologies. Ms. Mascarenhas has been invited to lecture as part of the Departmental Seminars in Mechanical and Industrial Engineering at the University of Toronto. She will present on the topic of “Air Pollution: The Daily Spills That We Ignore” on September 10, 2010 at 2:10 p.m. in Toronto, Ontario, Canada. As previously announced, Ms. Mascarenhas is serving as a Society of Petroleum Engineering (“SPE”) Distinguished Lecturer for the 2010-2011 lecture season. In that capacity she will be presenting on the topic of “A Sustainable Solution to the Climate Change Dilemma: Eliminate the Flare” to audiences in Santa Clara, California, USA, Rock Springs, Wyoming, USA and Salt Lake City, Utah, USA on September 13, 15 and 16, 2010, respectively.

Questor’s second quarter 2010 financial statements and notes thereto and Management’s Discussion and Analysis for the three and six months ended June 30, 2010 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 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 (H₂S). 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”.

For further information contact:

Audrey Mascarenhas
President and Chief Executive Officer
Phone: (403) 571-1530
Facsimile: (403) 571-1539
Email: amascarenhas@questortech.com

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

QUESTOR TECHNOLOGY INC.
BALANCE SHEETS
(unaudited)

As at	June 30 2010	December 31 2009
ASSETS		
Current assets		
Cash	\$ 3,056,440	\$ 3,080,997
Accounts receivable	968,580	864,260
Income and other taxes receivable	291,091	306,850
Inventory	1,036,708	433,145
Prepaid expenses and deposits	137,633	101,072
Deferred expenses	-	2,356
Future income tax asset	50,113	50,113
	5,540,565	4,838,793
Property and equipment	1,377,761	1,418,524
Intangibles	11,368	15,682
	\$ 6,929,694	\$ 6,272,999
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 613,712	\$ 348,150
Current portion of long-term debt	5,077	15,232
Income and other taxes payable	21,822	19,034
Deferred revenue and deposits	485,618	198,641
Future income tax liability	691	2,281
	1,126,920	583,338
Future income tax liability	87,698	74,057
	1,214,618	657,395
Shareholders' equity		
Share capital	5,300,544	5,265,736
Contributed surplus	510,179	447,651
Retained earnings (deficit)	(95,647)	(97,783)
	5,715,076	5,615,604
	\$ 6,929,694	\$ 6,272,999

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

For the	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Revenue				
Incinerator sales and services	\$ 761,998	\$ 932,382	\$ 851,324	\$ 1,504,974
Incinerator rentals and services	302,265	132,024	547,891	571,294
Combustion services	96,307	115,169	249,472	261,175
	1,160,570	1,179,575	1,648,687	2,337,443
Less: Direct costs	684,758	809,712	1,012,333	1,523,605
	475,812	369,863	636,354	813,838
Other revenue	632	49,009	2,143	54,337
Expenses				
General and administrative	328,903	333,592	653,058	698,219
Foreign exchange loss (gain)	(98,224)	20,980	(50,929)	(21,359)
Depreciation and amortization	3,704	10,369	10,634	20,626
	234,383	364,941	612,763	697,486
Income before interest expense and income tax expense	242,061	53,931	25,734	170,689
Interest expense	504	504	1,008	1,330
Income before income tax expense	241,557	53,427	24,726	169,359
Income tax expense (recovery)				
Current income tax	10,539	33,532	10,539	62,111
Future income tax	63,862	(1,136)	12,051	3,528
Net income and comprehensive income	167,156	21,031	2,136	103,720
Retained earnings (deficit), beginning of period	(262,803)	86,869	(97,783)	4,180
Retained earnings (deficit), end of period	\$ (95,647)	\$ 107,900	\$ (95,647)	\$ 107,900
Net income per share				
Basic and diluted	\$ 0.007	\$ 0.001	\$ 0.000	\$ 0.004
Weighted average number of shares outstanding				
Basic	24,067,260	24,007,370	24,037,480	24,007,370
Diluted	24,603,163	24,709,526	24,614,993	24,553,537

**QUESTOR TECHNOLOGY INC.
STATEMENTS OF CASH FLOWS
(unaudited)**

For the	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Operating activities				
Net income	\$ 167,156	\$ 21,031	\$ 2,136	\$ 103,720
Items not affecting cash:				
Depreciation	35,048	33,351	70,240	64,503
Amortization	304	7,250	4,314	14,500
Unrealized foreign exchange loss (gain)	(178,938)	20,954	(131,681)	62,839
Future income tax (recovery)	63,862	(1,136)	12,051	3,528
Share-based compensation	41,449	41,311	79,836	79,511
	128,881	122,761	36,896	328,601
Net change in non-cash working capital	(464,400)	(150,896)	(171,538)	(290,954)
	(335,519)	(28,135)	(134,642)	37,647
Investing activities				
Additions of property and equipment	(24,921)	(30,303)	(28,360)	(100,823)
	(24,921)	(30,303)	(28,360)	(100,823)
Financing activities				
Repayment of long-term debt	(5,078)	(9,883)	(10,155)	(19,766)
Exercise of share options	17,500	-	17,500	-
	12,422	(9,883)	7,345	(19,766)
Effect of exchange rates on cash	176,035	(24,945)	131,100	(68,268)
Decrease in cash	(171,983)	(93,266)	(24,557)	(151,210)
Cash, beginning of period	3,228,423	3,201,093	3,080,997	3,259,037
Cash, end of period	\$ 3,056,440	\$ 3,107,827	\$ 3,056,440	\$ 3,107,827