



NEWS RELEASE
QUESTOR TECHNOLOGY INC.
ANNOUNCES SECOND QUARTER 2011 FINANCIAL RESULTS

Calgary, Alberta (August 25, 2011) – 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, 2011. The Company’s unaudited condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including restatement of prior year results for comparative purposes.

The Company reported a profit of \$209,002 (\$0.008 per basic share) for the three months ended June 30, 2011 compared to a profit of \$171,836 (\$0.007 per basic share) for the same three-month period last year. Profit for the six months ended June 30, 2011 was \$89,461 (\$0.004 per basic share) compared to a profit of \$8,388 for the six months ended June 30, 2010.

On a comparative basis, profit improved in each of the three and six month periods ended June 30, 2011 as a result of increased revenues and lower income tax expense, partially offset by higher administration expenses and research and development costs and by foreign exchange losses recorded in the first half of 2011 compared to foreign exchange gains in the same period of 2010. The cost of sales also impacted each of the periods as it was lower in second quarter 2011 but higher on a year-to-date 2011 basis relative to the comparative periods of 2010.

Financial Highlights Summary

(Stated in Canadian dollars except per share amounts)

	For the three months ended June 30			For the six months ended June 30		
	2011	2010	Increase (decrease)	2011	2010	Increase (decrease)
Revenue ⁽¹⁾	1,297,277	1,161,202	136,075	2,197,257	1,650,831	546,426
Gross profit ⁽²⁾	238,558	466,171	(227,613)	536,170	616,580	(80,410)
EBITDA ⁽²⁾	303,411	291,135	12,276	202,935	126,090	76,845
Profit	209,002	171,836	37,166	89,461	8,388	81,073
Cash provided by (used in) operations before movements in working capital ⁽²⁾	(59,957)	39,848	(99,805)	(59,957)	39,848	(99,805)
Total assets	7,620,230	6,729,756	890,474	7,620,230	6,729,756	890,474
Non-current liabilities	133,060	78,106	54,954	133,060	78,106	54,954
Shares outstanding ⁽³⁾						
Basic	24,707,370	24,069,457	637,913	24,707,370	24,038,585	668,785
Diluted	24,844,360	24,606,500	237,860	24,856,292	25,187,525	(331,233)
Earnings per share – Basic and diluted	0.008	0.007	0.001	0.004	0.000	0.004



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- (1) *Includes net gain on disposal of property and equipment and other revenue.*
- (2) *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of the Company's Management's Discussion and Analysis for the three and six month periods ended June 30, 2011.*
- (3) *Weighted average.*

"Revenue increased by 33 percent in the first six months of this year compared to the same period last year," said Audrey Mascarenhas, President and Chief Executive Officer. "Tougher emission regulations, particularly in the United States, coupled with the market's growing understanding of the economic benefits of Questor's clean combustion technology is creating opportunities worldwide for us. We recently deployed rental incinerator units, including the new equipment added to the incinerator rental fleet at the beginning of July, to Europe and the United States to assist customers with the active development of shale gas plays."

"Building on the successful operations of our technology in oil sands applications, our expertise in efficient combustion and our proficiency in H₂S destruction, discussions continue with prospective customers for onshore and offshore projects. Questor currently has confirmed incinerator sales orders of \$1.5 million, the revenue for which will be recognized when the product is delivered. Based on the current customer-specified schedule, approximately \$1.1 million of revenue will be recorded in third quarter 2011 and the balance in fourth quarter 2011," concluded Ms. Mascarenhas.

In relation to the Company's market awareness initiatives, Ms. Mascarenhas will make a presentation on the topic of "Community Engagement" at the 2011 Canadian Society for Unconventional Gas / Society of Petroleum Engineers (CSUG/SPE) Unconventional Resources Conference to be held November 15 – 17, 2011 in Calgary, Alberta, Canada. A copy of this presentation will be made available on the Company's website at that time.

Questor's unaudited condensed financial statements and notes thereto and management's discussion and analysis for the three and six month periods ended June 30, 2011 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".

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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.

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 INCOME

Stated in Canadian dollars except per share data
(unaudited)

	For the three months ended June 30		For the six months ended June 30	
	2011	2010	2011	2010
Revenue	\$ 819,481	\$ 1,160,570	\$ 1,717,357	\$ 1,648,687
Cost of sales	(580,923)	(694,399)	(1,181,187)	(1,032,107)
Gross profit	238,558	466,171	536,170	616,580
Administration expenses	(404,849)	(314,079)	(789,118)	(611,403)
Net foreign exchange gains (losses)	(40,745)	98,224	(79,032)	50,929
Research and development costs	(10,729)	(3,517)	(31,697)	(20,215)
Depreciation of property and equipment	(8,148)	(3,400)	(11,036)	(6,321)
Amortization of intangible assets	(304)	(305)	(609)	(4,315)
Net gain on disposal of property and equipment	203,152	-	201,539	-
Finance costs	-	(504)	-	(1,008)
Other revenue	274,644	632	278,361	2,144
Profit before tax	251,579	243,222	104,578	26,391
Income tax expense	(42,577)	(71,386)	(15,117)	(18,003)
Profit and comprehensive income	\$ 209,002	\$ 171,836	\$ 89,461	\$ 8,388
Earnings per share				
Basic	\$ 0.008	\$ 0.007	\$ 0.004	\$ 0.000
Diluted	\$ 0.008	\$ 0.007	\$ 0.004	\$ 0.000

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

As at	June 30 2011	December 31 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,353,671	\$ 3,995,669
Trade and other receivables	1,683,356	1,873,636
Current tax assets	140,428	362
Inventories	528,729	313,567
Prepaid expenses and deposits	53,577	107,467
Total current assets	5,759,761	6,290,701
Non-current assets		
Property and equipment	1,802,499	1,037,565
Intangible assets	10,150	10,759
Deferred tax assets	47,820	49,695
Total non-current assets	1,860,469	1,098,019
Total assets	\$ 7,620,230	\$ 7,388,720
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables, accrued liabilities and provisions	\$ 1,279,620	\$ 852,821
Current tax liabilities	11,777	230,746
Deferred revenue and deposits	24,001	146,485
Total current liabilities	1,315,398	1,230,052
Non-current liabilities		
Deferred tax liabilities	117,382	108,287
Other non-current liabilities	15,678	-
Total non-current liabilities	133,060	108,287
Total liabilities	1,448,458	1,338,339
Capital and reserves		
Issued capital	5,404,966	5,404,966
Reserves	625,874	593,944
Retained earnings	140,932	51,471
Total equity	6,171,772	6,050,381
Total liabilities and equity	\$ 7,620,230	\$ 7,388,720

QUESTOR TECHNOLOGY INC.
CONDENSED STATEMENT OF CHANGES IN EQUITY
Stated in Canadian dollars
(unaudited)

	Issued capital	Reserves	Retained earnings (deficit)	Total equity
Balance at January 1, 2010	\$ 5,265,736	\$ 573,349	\$ (393,589)	\$ 5,445,496
Profit	-	-	8,388	8,388
Recognition of share-based payments	-	54,035	-	54,035
Issue of ordinary shares under employee share option plan	34,808	(17,308)	-	17,500
Balance at June 30, 2010	5,300,544	610,076	(385,201)	5,525,419
Profit	-	-	436,672	436,672
Recognition of share-based payments	-	35,790	-	35,790
Issue of ordinary shares under employee share option plan	104,422	(51,922)	-	52,500
Balance at December 31, 2010	5,404,966	593,944	51,471	6,050,381
Profit	-	-	89,461	89,461
Recognition of share-based payments	-	31,930	-	31,930
Issue of ordinary shares under employee share option plan	-	-	-	-
Balance at June 30, 2011	\$ 5,404,966	\$ 625,874	\$ 140,932	\$ 6,171,772

QUESTOR TECHNOLOGY INC.
CONDENSED STATEMENT OF CASH FLOWS
Stated in Canadian dollars
(unaudited)

For the six months ended June 30	2011	2010
Cash flows from operating activities		
Profit for the period	\$ 89,461	\$ 8,388
Adjustments for:		
Income tax expense recognized in profit	10,970	7,465
Finance costs recognized in profit	-	1,008
Net gain on disposal of property and equipment	(201,539)	-
Depreciation of property and equipment	97,748	94,376
Amortization of intangible assets	609	4,314
Net foreign exchange gain	(105,845)	(131,681)
Expense recognized in respect of equity-settled share-based payments	31,930	54,035
Office lease incentive	15,678	-
Write-downs of inventories to net realizable value	1,031	1,943
	(59,957)	39,848
Movements in working capital	176,961	(172,365)
Cash generated from (used in) operations	117,004	(132,517)
Income taxes paid	(215,000)	-
Net cash used in operating activities	(97,996)	(132,517)
Cash flows from investing activities		
Movements in working capital	(615,523)	(1,117)
Payments for property and equipment	(435,539)	(28,360)
Proceeds from disposal of property and equipment	389,918	-
Net cash used in investing activities	(661,144)	(29,477)
Cash flows from financing activities		
Repayment of borrowings	-	(10,155)
Proceeds from issue of ordinary shares under employee share option plan	-	17,500
Interest paid	-	(1,008)
Net cash generated from financing activities	-	6,337
Net decrease in cash and cash equivalents	(759,140)	(155,657)
Cash and cash equivalents at beginning of period	3,995,669	3,080,997
Effects of exchange rate changes on the balance of cash held in foreign currencies	117,142	131,100
Cash and cash equivalents at end of period	\$ 3,353,671	\$ 3,056,440