
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis ("MD&A") of financial condition and results of operations presented herein is provided to enable readers to assess the results of operations, liquidity and capital resources of Questor Technology Inc. ("Questor" or the "Company") as at and for the three and nine months ended September 30, 2009 compared to the three and nine months ended September 30, 2008. This MD&A dated November 25, 2009 should be read in conjunction with the accompanying unaudited interim financial statements and notes thereto of Questor as at and for the three months and nine months ended September 30, 2009 and with the audited financial statements and MD&A contained in the Company's annual report for the year ended December 31, 2008.

The following MD&A contains forward-looking statements. When used in this MD&A, 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 MD&A 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, changes in tax legislation, 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 MD&A, 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 MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this MD&A, should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Additional information relating to Questor can be found on its website at www.questortech.com. The continuous disclosure materials of Questor, including its annual MD&A and audited financial statements, Management Information Circular and Proxy Statement, material change reports and news releases issued by Questor, are also available through the Company's website or directly through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

QUESTOR TECHNOLOGY INC.

Questor is an international environmental oil field 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 oil field 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 clients. Questor is recognized for its particular expertise in the combustion of sour gas (H₂S). While the Company's current client 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.

FINANCIAL RESULTS

Questor's financial information and the related discussion of financial results in the MD&A are for the three-month and nine-month periods ended September 30, 2009 and September 30, 2008.

Financial Results Summary

(\$ unless otherwise noted)

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Total revenue	718,799	1,372,938	3,110,579	2,386,195
Gross margin ⁽¹⁾	235,564	530,385	1,049,402	606,260
EBITDA ⁽¹⁾	(130,544)	418,384	119,147	232,646
Income (loss) before interest expense and income tax expense ⁽¹⁾	(170,743)	380,067	(54)	117,367
Net income (loss)	(139,211)	286,313	(35,491)	51,388
Funds generated from (used in) operations ⁽¹⁾	(82,041)	455,064	183,720	201,360
Total assets	6,196,446	5,993,848	6,196,446	5,993,848
Long-term liabilities	53,490	23,080	53,490	23,080
Shares outstanding (thousands) ⁽²⁾				
Basic	24,007	23,804	24,007	23,798
Diluted	24,007	24,725	24,007	24,536
Net income (loss) per share – Basic	\$ (0.006)	\$ 0.012	\$ (0.001)	\$ 0.002
Net income (loss) per share – Diluted	\$ (0.006)	\$ 0.012	\$ (0.001)	\$ 0.002

(1) Non-GAAP financial measure. Please see discussion in the Non-GAAP Financial Measures section of this MD&A.

(2) Weighted average.

Discussion of Financial Results for the Three and Nine Months Ended September 30, 2009

Net income

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Net income (loss)	(139,211)	286,313	(425,524)	(35,491)	51,388	(86,879)
Per basic and diluted share	(0.006)	0.012	(0.018)	(0.001)	0.002	(0.003)

The net loss for the three months ended September 30, 2009 was \$139,211 (\$0.006 per basic share) compared to net income of \$286,313 (\$0.012 per basic share) for the three months ended September 30, 2008. On a comparative basis, the net income decrease of \$425,524 was primarily attributable to unrealized foreign exchange losses and lower gross margins from incinerator sales, rental incinerator services and combustions parts sales, partially offset by lower income tax expense.

The net loss for the nine months ended September 30, 2009 was \$35,491 (\$0.001 per basic share) compared to net income of \$51,388 (\$0.002 per basic share) for the nine months ended September 30, 2008. The decrease in net income of \$86,879 was attributable to higher variable direct costs and general and administrative expense coupled with foreign exchange losses, partially offset by higher revenues from incinerator sales and rental incinerator services and lower income tax expense.

Total revenue

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Incinerator sales and services	419,334	731,660	(312,326)	1,924,308	1,026,024	898,284
Incinerator rentals and services	205,001	320,346	(115,345)	776,295	673,729	102,566
Combustion services	92,477	241,828	(149,351)	353,652	399,938	(46,286)
Other revenue	1,987	79,104	(77,117)	56,324	286,504	(230,180)
Total revenue	718,799	1,372,938	(654,139)	3,110,579	2,386,195	724,384

Total revenue decreased in the three-month period ended September 30, 2009 compared to the same period in 2008. The number of confirmed sales orders declined in third quarter 2009 compared to third quarter 2008 as clients delayed capital expenditure commitments given continuing market uncertainty. This resulted in a lower volume of incinerator sales which, when combined with utilization and rate differences in the incinerator rentals and services mix and fewer combustion parts sales, resulted in a 48 percent decline in total revenue. Other revenue was lower in third quarter 2009 compared to the same quarter in 2008 due to lower interest income in 2009 and a one-time contract cancellation fee received in the third quarter of 2008.

Total revenue increased in the nine-month period ended September 30, 2009 compared to the same period in 2008 principally as a result of a larger volume of incinerator sales and higher overall utilization of the incinerator rental fleet, partially offset by lower combustion parts sales and interest income. The incinerator sales in 2009 include \$0.9 million of orders received during the latter part of 2008 for which revenue was not recognized until delivery occurred in the first half of 2009.

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 was included in other revenue.

In the second quarter of each year, the Company received government assistance in the form of a Scientific Research and Experimental Development ("SR&ED") investment tax credit: \$44,078 in 2009 and \$77,508 in 2008. These amounts were reflected in other revenue.

Direct costs

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Cost of sales	301,083	595,902	(294,819)	1,462,260	985,535	476,725
Field office costs	111,005	107,407	3,598	340,274	329,964	10,310
Vehicles and trailers	36,164	23,579	12,585	76,805	63,402	13,403
Maintenance expensed capital	2,967	9,592	(6,625)	37,109	30,532	6,577
Depreciation	30,029	26,969	3,060	88,405	83,998	4,407
Direct costs	481,248	763,449	(282,201)	2,004,853	1,493,431	511,422

Direct costs decreased in third quarter 2009 compared to third quarter 2008 but increased on a year-to-date basis in 2009 compared to the same period of 2008. This variance was primarily due to the relationship between cost of sales, which are largely variable in nature, and revenue. Cost of sales as a percent of revenue (excluding other revenue) for the three months ended September 2009 and the three months ended September 2008 was 42 percent and 46 percent, respectively. Cost of sales as a percent of revenue (excluding other revenue) for the nine months ended September 2009 and the nine months ended September 2008 was 48 percent and 47 percent, respectively. While the cost of sales as a percent of revenue falls within a relatively narrow range, there will be variation because of differences in the margins associated with Questor's activities and sales.

To a lesser extent, higher field office costs due to staffing and compensation increases in 2009, expenditures for vehicle repairs and maintenance in third quarter 2009 and expenditures for planned maintenance of the rental incinerator fleet in second quarter 2009 also contributed to the increase in direct costs.

General and administrative expense

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Employee costs	123,454	131,562	(8,108)	416,051	370,070	45,981
Share-based compensation	35,155	30,913	4,242	101,053	91,976	9,077
Consultants and contractors	50,726	46,296	4,430	157,963	143,896	14,067
Marketing/business development	9,160	10,948	(1,788)	40,540	29,056	11,484
Office costs	35,876	36,100	(224)	113,083	113,443	(360)
Corporate/regulatory compliance	43,152	64,881	(21,729)	143,879	175,874	(31,995)
Research and development	13,977	-	13,977	32,322	14,616	17,706
Other	2,233	863	1,370	7,061	9,568	(2,507)
General and administrative expense	313,733	321,563	(7,830)	1,011,952	948,499	63,453

General and administrative expense decreased modestly in third quarter 2009 compared to third quarter 2008 and was principally due to lower audit fees, partially offset by higher research and development expenses.

The higher general and administrative expense in the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 was attributable to higher employee costs, share-based compensation expense and consultants and contractors expense due to an increase in the level of staffing and to increased business development costs and research and development expenses. Partially offsetting these higher costs were lower corporate/regulatory compliance costs.

Foreign exchange gains and losses

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Foreign exchange loss (gain)	84,391	(103,489)	187,880	63,032	(204,383)	267,415

Foreign exchange losses were recorded in the three and nine months ended September 30, 2009 whereas foreign exchange gains were recorded in each of the same periods in 2008. The Canadian dollar strengthened during third quarter 2009, consistent with the general trend occurring since April 2009, thereby negatively impacting the value of cash and transactions denominated in foreign currencies, principally in United States dollars. By contrast, during the same periods of 2008 the Canadian dollar experienced weakness relative to

the United States dollar resulting in foreign exchange gains that were further accentuated by the significantly higher cash balances held in United States dollars in 2008 compared to 2009.

Depreciation and amortization

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Depreciation classified to direct costs	30,029	26,969	3,060	88,405	83,998	4,407
Depreciation	2,921	3,096	(175)	9,047	8,531	516
Amortization of intangibles	7,249	8,252	(1,003)	21,749	22,750	(1,001)
Depreciation and amortization	40,199	38,317	1,882	119,201	115,279	3,922

Depreciation and amortization for the three and nine months ended September 30, 2009 was slightly higher than the corresponding periods in 2008 due to the depreciation of capital additions since third quarter 2008.

Interest expense

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Short-term debt	1,133	286	847	1,455	4,783	(3,328)
Long-term debt	504	504	-	1,512	1,512	-
Interest expense	1,637	790	847	2,967	6,295	(3,328)

Interest expense in third quarter 2009 reflects interest assessed in relation to the Company's 2008 income tax filing and 2009 income tax instalments. For the nine months ended September 30, 2009 interest expense was lower than the same period of 2008 because the Company has made virtually no draws on its revolving demand operating loan which would otherwise give rise to interest on short-term debt. The interest on long-term debt relates to vehicle financing.

Income tax expense (recovery)

(\$ unless otherwise noted)

For the	Three months ended September 30			Nine months ended September 30		
	2009	2008	\$ Change	2009	2008	\$ Change
Current income tax	(7,398)	-	(7,398)	54,713	37,711	17,002
Future income tax	(25,771)	92,964	(118,735)	(22,243)	21,973	(44,216)
Income tax expense (recovery)	(33,169)	92,964	(126,133)	32,470	59,684	(27,214)

An income tax recovery of \$33,169 for third quarter 2009 was reflective of a loss before income tax expense of \$139,211 as compared to a non-cash income tax expense of \$92,964 on income before income tax expense of \$379,277 for third quarter 2008.

The Company has incurred an income tax expense for the nine months ended September 30, 2009 despite a loss before income tax expense of \$3,021 due to permanent differences and timing differences between deductions from income for tax and accounting purposes. The current income tax expense for the nine months ended September 30, 2008 arose from a second quarter 2008 revision to income taxes payable for 2007.

OUTLOOK

Questor remains focused on managing the business through the challenges presented by continuing market ambiguity. Despite some improvement to commodity prices in the last few months, the volatility and continued low natural gas price environment has created uncertainty for the oil and gas industry and, consequently, participants in the oil field service sector. Capital spending decisions by Questor's clients continues to be protracted which has adversely impacted the quantum of confirmed sales orders for delivery in 2009. It is expected that revenue in fourth quarter 2009 will lag revenues in the comparative period of 2008, similar to the Company's experience with revenue levels in third quarter 2009. A large U.S.-based global integrated energy company recently awarded the Company a USD \$950,000 incinerator sales contract for a project located in Indonesia and for which delivery is anticipated to occur in second quarter 2010. In addition, the Company has confirmed sales orders of \$0.4 million for which delivery will occur in fourth quarter 2009, resulting in a total order backlog for applications of Questor's products of \$1.4 million.

Notwithstanding the current economic environment, interest in Questor's products has remained strong. The level of bids outstanding for projects of varying scope and jurisdiction has hovered near \$30 million for much of 2009. Approximately 55 percent of this value represents bids for which the project timelines continue to be impacted by the economic conditions and the deferral of capital expenditure decisions. To the best of Questor's knowledge, approximately 70 percent of projects not awarded to the Company have been as a result of project cancellation or scope changes for which incineration equipment was no longer required. Approximately 30 percent of projects have been awarded to competitors. Questor is not certain the winning bids have always been for comparable products and services and is investigating this competitive aspect.

The Company currently has more than \$32 million of bids outstanding pending completion of the tender process and notification of the clients' purchase decisions. While the number and timing of projects for which Questor's proposal will be selected is not reasonably determinable, the continued stream of requests for proposal clearly demonstrates that market opportunities exist worldwide. The Company is seeking to capitalize on the favourable conditions for incinerator sales by developing and leveraging strategic market relationships and by expanding geographically and to other industries where Questor's proprietary technology would prove effective.

Another of the Company's strategic objectives is to develop and market new air quality solutions compatible with existing technology. The current economic conditions and the desire to reduce greenhouse gas emissions have intensified customer interest in the Company's efforts to develop a process to convert waste gas to heat and/or power. Questor is actively pursuing this growth opportunity and the heat recovery module design has been completed and construction of the prototype is underway. Testing will commence as soon as the fabrication is complete in order to quantify the efficiency. The information gained from this testing will enable Questor to properly size commercial applications for heat redistribution as well as provide accurate data in designing for power generation projects. Another of the Company's product developments is a scaled-down version of its successful, larger incinerators to address the growing market for efficient combustion of waste gases characterized by low flow and lower heat content. The testing of this unit is now complete and Questor is poised to market the incinerator where this technology will allow Questor to be technically and commercially more competitive.

The Company is dedicated to executing on its strategic priorities to achieve profitability and create long-term shareholder value. In addition to the continued sales focus and product development, Questor is seeking to maximize its profitability through deployment of the combustion services division to long-term services contracts during the remainder of the year, implementing short-term and long-term utilization plans for the rental incinerator fleet and pursuing cost management activities.

Questor remains optimistic about the Company's future given the changing global attitude towards the effect of climate change and the desire to reduce greenhouse gas emissions and the growing corporate focus on sustainable development.

SUMMARY OF EIGHT MOST RECENTLY COMPLETED QUARTERS

	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
<i>(in \$ thousands except per share amounts)</i>								
Total revenue	719	1,229	1,163	2,085	1,373	387	626	1,017
Gross margin	235	370	444	792	530	(27)	103	449
Income (loss) before interest expense and income tax expense	(171)	54	117	874	380	(200)	(63)	148
Net income (loss)	(139)	21	83	577	286	(170)	(65)	106
Net income (loss) per share								
Basic	(0.01)	0.00	0.00	0.03	0.01	(0.01)	(0.00)	0.00
Diluted	(0.01)	0.00	0.00	0.03	0.01	(0.01)	(0.00)	0.00

A number of factors contribute to variations in the Company's quarterly results: customer capital spending as it is affected by oil and gas commodity prices, changes in legislation, seasonality, the Company's mix of product and service offerings, the relative size of sales, the currency in which the sales are transacted and the timing of revenue recognition.

FINANCIAL POSITION

The following table outlines the significant changes in the balance sheets of Questor from September 30, 2009 to December 31, 2008.

Balance sheet item	\$ Increase (decrease)	Explanation
Cash and cash equivalents	(108,293)	The decrease was due primarily to the working capital and capital investment funding requirements during the first nine months of 2009 and a weakening of foreign currencies relative to the Canadian dollar, partially offset by funds used in operations. See also the discussion in the Liquidity and Capital Resources section of this MD&A.
Accounts receivable	(834,825)	The decrease was due primarily to the timing of revenue generating activities in third quarter 2009 compared to fourth quarter 2008 and the effect of transactions denominated in foreign currencies during a period when foreign currencies weakened relative to the Canadian dollar.
Income and other taxes receivable	170,454	The increase reflects an anticipated income tax refund resulting from 2009 income tax instalments in excess of estimated taxes now payable for 2009.
Inventory	113,225	The increase related to the higher number of incinerators units in finished goods inventory at September 30, 2009 and the composition and stage of completion of incinerators being fabricated as at September 30, 2009.

Balance sheet item	\$ Increase (decrease)	Explanation
Accounts payable and accrued liabilities	(317,581)	The decrease relates to the composition and timing of business reflected at the end of each period.
Income and other taxes payable	(277,336)	The decrease was principally attributable to settlement of the 2008 income taxes payable.
Contributed surplus	122,253	The increase was due to share-based compensation expense recorded in the period.

INVESTED CAPITAL

During third quarter 2009 Questor acquired \$55,338 of plant and equipment, up from \$2,171 in third quarter 2008. The invested capital in the three month period ended September 30, 2009 consisted of additions to the incinerator rental fleet, and to a lesser extent, the acquisition of tools and computer hardware. In the same period of 2008, property and equipment increases related to the acquisition of tools.

The majority of invested capital of \$157,651 in the first nine months of 2009 consisted of additions to the incinerator rental fleet and the acquisition of a service vehicle, supplemented by expenditures for tools and computer hardware and software. During the first nine months of 2008, the increase to plant and equipment was \$25,265 for which the asset acquisitions were predominantly computer hardware related.

The only disposition occurring in the first nine months of either 2009 or 2008 transpired in second quarter 2008 when the Company sold an incinerator from the rental fleet with a net book value of \$37,980.

LIQUIDITY AND CAPITAL RESOURCES

Questor historically has used debt and equity financing to the extent that funds generated from operations, cash balances and deposits received from customers in respect of a sale were insufficient to fund capital expenditures and working capital changes.

At this time, Questor does not reasonably expect any presently known trend or uncertainty to affect the Company's ability to access its anticipated sources of cash. The Company further expects that 2009 funds generated from operations and current cash amounts will be sufficient to meet budgeted operating requirements and meet its anticipated capital requirements.

Cash Flows

(\$ unless otherwise noted)

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Cash and cash equivalents, beginning of period	3,107,827	2,547,526	3,259,037	2,753,997
Cash provided by (used in):				
Operating activities	188,548	(71,108)	188,076	(656,958)
Investing activities	(52,619)	(6,888)	(153,442)	102,409
Financing activities	(9,883)	(424,564)	(29,649)	(237,255)
Effect of exchange rates on cash	(83,130)	84,314	(113,279)	167,087
Cash and cash equivalents, end of period	3,150,743	2,129,280	3,150,743	2,129,280

Operating Activities

Cash provided by operating activities was \$188,548 in the third quarter of 2009 compared to cash used in operating activities of \$71,108 in the three months ended September 30, 2008. The increase was primarily attributable to a non-cash working capital contribution of \$187,459 in third quarter 2009 compared to a non-cash working capital deficit of \$441,858 in third quarter 2008 and to the effects of foreign exchange on cash, partially offset by lower operating results in third quarter 2009.

Cash provided by operating activities was \$188,076 in the nine-month period ended September 30, 2009 compared to cash used in operating activities of \$656,958 in the same period of 2008. The increase was primarily attributable to a lower non-cash working capital deficit of \$108,923 in the nine months ended September 30, 2009 compared to a non-cash working capital deficit of \$691,231 in the first nine months of 2008 and to the effects of foreign exchange on cash, partially offset by slightly lower earnings in 2009 to date.

Working Capital

(\$ unless otherwise noted)

As at	September 30 2009	December 31 2008
Current assets	4,936,788	5,521,274
Current liabilities ⁽¹⁾	479,646	1,109,575
Working capital	4,457,142	4,411,699
Current ratio	10.3	5.0

⁽¹⁾ Excludes short-term debt and current portion of long-term debt.

Investing Activities

Cash used in investing activities in the three months and nine months ended September 30, 2009 was \$52,619 and \$153,442, respectively, compared to cash used in investing activities of \$6,888 and cash provided of \$102,409, respectively, in the same periods of 2008. The investing activities comprised expenditures as described in the Invested Capital section of this MD&A and capital amounts in accounts payable from prior periods. In second quarter 2008, investing activities also reflected the disposition of an incinerator from the rental fleet.

Financing Activities

Cash used in financing activities in third quarter 2009 was \$9,883 compared to cash used in financing activities in third quarter 2008 of \$424,564. In each period, the Company reduced the long-term debt outstanding at that time, \$9,883 in the three months ended September 30, 2009 and \$15,068 in the three months ended September 30, 2008. In third quarter 2008, the Company decreased the balances outstanding on its credit facilities by \$410,746 and received \$1,250 of proceeds from share option exercises.

Cash used in financing activities was \$29,649 in the first nine months of 2009 compared to cash used in financing activities of \$237,255 in the same period of 2008. In each period, the Company reduced the long-term debt outstanding at that time, \$29,649 in the nine months ended September 30, 2009 and \$47,319 in the nine months ended September 30, 2008. In the first half of 2008, the Company drew on its credit facilities to fund working capital requirements and reduce long-term debt and then repaid the outstanding balances during the second half of the year from cash provided by operating activities and proceeds from share option exercises.

Capital Resources

The Company believes that its cash deposits and funds generated from operations will provide sufficient capital resources and liquidity to fund existing operations and anticipated capital requirements in 2009.

As at September 30, 2009, the Company had cash on deposit of \$3,150,743 as compared to cash and cash equivalent balances of \$3,259,037 at December 31, 2008. The foreign currency composition of the cash balances is described in Note 3 to the interim financial statements as at and for the three and nine months ended September 30, 2009. The use of cash during 2009 is described in the Financial Position and Liquidity and Capital Resources sections of this MD&A.

As at September 30, 2009, the Company had total debt outstanding of \$23,080, down from \$52,730 at December 31, 2008. The debt at September 30, 2009 was comprised solely of vehicle financing.

On November 14, 2008, the Company issued a USD \$329,428 irrevocable letter of guarantee under its revolving foreign letter of credit/letter of guarantee facility as security to the beneficiary during the warranty period associated with an incinerator sale. This letter of guarantee expired on March 26, 2009.

All of the borrowing facilities from the chartered bank have financial tests and other covenants customary for these types of facilities. At the end of each fiscal quarter the Company's debt-to-tangible-net-worth must be less than 2.5 and the Company's working capital ratio must be greater than 1.25. At the end of each fiscal year, Questor's debt service coverage ratio must be in excess of 1.25. Questor was in compliance with these covenants at the end of the September 30, 2009 fiscal quarter and at December 31, 2008.

In January 2008, the Company obtained a demand revolving foreign exchange facility established to a maximum of USD \$630,000 to purchase foreign forward exchange contracts in order to hedge against currency fluctuations. This facility is secured by a general security agreement and an assignment of insurance proceeds. The availability of this facility is also subject to the Company meeting certain financial covenants. As of the date of this MD&A, no amounts have been drawn against this facility.

Contractual Obligations and Commitments

There have been no material changes to Questor's contractual obligations and commitments from those identified in the MD&A included in the Company's 2008 annual report.

FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

The Company is exposed to market risk and potential loss from changes in the value of financial instruments. To date, Questor has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates and interest rates. Refer to Note 10 to the interim financial statements as at and for the three and nine months ended September 30, 2009 for information pertaining to financial instruments and risk management thereto.

RISKS AND UNCERTAINTIES

The Company is exposed to a number of business risks with the potential to affect financial performance. There have been no material changes to Questor's financial and business risks identified in the MD&A included in the Company's 2008 annual report.

TRANSACTIONS WITH RELATED PARTIES

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 September 30, 2009 or December 31, 2008.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company is not party to any off-balance-sheet arrangements as at September 30, 2009.

SHARE CAPITAL

As at	November 25 2009	September 30 2009	December 31 2008
Shares issued and outstanding	24,007,370	24,007,370	24,007,370
Share options outstanding	2,175,000	2,175,000	1,775,000
Share options exercisable	1,293,750	1,112,500	843,750

SIGNIFICANT ACCOUNTING POLICIES

Questor's significant accounting policies remain unchanged from December 31, 2008 except as disclosed in the notes to the interim financial statements as at and for the three and nine months ended September 30, 2009. For further information regarding these policies refer to the notes to the interim financial statements as at and for the three and nine months ended September 30, 2009 and to the audited financial statements in Questor's 2008 annual report.

CRITICAL ACCOUNTING ESTIMATES

Since a determination of the value of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of the Company's interim financial statements requires the use of estimates and assumptions which have been made using careful judgment. Questor's significant accounting policies are described in the notes to the 2008 audited financial statements included in the Company's 2008 annual report. Certain of these policies involve critical accounting estimates as a result of the requirement to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. Questor's critical accounting estimates are share-based compensation expense, depreciation and amortization expense, asset impairment assessment and future tax liability.

CHANGES IN ACCOUNTING POLICIES

2009 Changes

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 be required to restate 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.

NON-GAAP FINANCIAL MEASURES

This MD&A contains references to certain financial measures that do not have a standardized meaning prescribed by Canadian GAAP and may not be comparable to similar measures presented by other entities. The purpose of these financial measures and their reconciliation to Canadian GAAP financial measures is discussed below.

Gross Margin*(\$ unless otherwise noted)*

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Gross margin	235,564	530,385	1,049,402	606,260
Add: Other revenue	1,987	79,104	56,324	286,504
Deduct: General and administrative expense	313,733	321,563	1,011,952	948,499
Foreign exchange loss (gain)	84,391	(103,489)	63,032	(204,383)
Depreciation and amortization expense	10,170	11,348	30,796	31,281
Interest expense	1,637	790	2,967	6,295
Income tax expense (recovery)	(33,169)	92,964	32,470	59,684
Net income (loss) (GAAP financial measure)	(139,211)	286,313	(35,491)	51,388

Gross margin is a measure of the Company's operating profitability. Gross margin provides an indication of the results generated by the Company's principal business activities before corporate activities and costs and prior to accounting for how these activities are financed, assets are amortized or how the results are taxed. Gross margin is calculated from the Statements of Income, Comprehensive Income and Retained Earnings (Deficit) and is defined as revenue less direct costs.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*(\$ unless otherwise noted)*

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
EBITDA	(130,544)	418,384	119,147	232,646
Deduct: Depreciation and amortization expense (including portion in direct costs)	40,199	38,317	119,201	115,279
Interest expense	1,637	790	2,967	6,295
Income tax expense (recovery)	(33,169)	92,964	32,470	59,684
Net income (loss) (GAAP financial measure)	(139,211)	286,313	(35,491)	51,388

EBITDA is also a measure of the Company's operating profitability. EBITDA provides an indication of the results generated by the Company's principal business activities prior to accounting for how these activities are financed, assets are amortized or how the results are taxed. EBITDA is calculated from the Statements of Income, Comprehensive Income and Retained Earnings (Deficit) and is defined as gross margin plus other revenue less general and administrative expense and foreign exchange losses (gains).

Income (Loss) Before Interest Expense and Income Tax Expense*(\$ unless otherwise noted)*

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Income (loss) before interest expense and income tax expense	(170,743)	380,067	(54)	117,367
Deduct: Interest expense	1,637	790	2,967	6,295
Income tax expense (recovery)	(33,169)	92,964	32,470	59,684
Net income (loss) (GAAP financial measure)	(139,211)	286,313	(35,491)	51,388

Income (loss) before interest expense and income tax expense is a measure of the Company's operating profitability generated by the Company's principal business activities prior to how these activities are financed or results are taxed. Income (loss) before interest expense and income tax expense is calculated from the Statements of Income, Comprehensive Income and Retained Earnings (Deficit) and is defined as gross margin plus other revenue less general and administrative expense, foreign exchange losses (gains) and depreciation and amortization.

Funds Generated From (Used In) Operations*(\$ unless otherwise noted)*

For the	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Funds generated from (used in) operations	(82,041)	455,064	183,720	201,360
Net change in non-cash working capital	187,459	(441,858)	(108,923)	(691,231)
Foreign exchange loss (gain) on cash	83,130	(84,314)	113,279	(167,087)
Cash provided by (used in) operating activities (GAAP financial measure)	188,548	(71,108)	188,076	(656,958)

Funds generated from (used in) operations is used to assist management and investors in analyzing operating performance, after interest and taxes, without regard to the impact of foreign exchange gains or losses to cash and to changes in the Company's non-cash working capital in the period. Funds generated from (used in) operations as presented should not be viewed as an alternative to cash provided by (used in) operating activities, or other cash flow measures calculated in accordance with GAAP. Funds generated from (used in) operations is calculated from the Statements of Cash Flows and is defined as cash provided by (used in) operating activities before changes in non-cash working capital and foreign exchange loss (gain) on cash.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Alberta Securities Commission and the securities commissions in the other jurisdictions in which Questor is registered, has exempted Venture Issuers from certifying disclosure controls and procedures as well as internal controls over financial reporting as of December 31, 2007, and thereafter. Since Questor is a Venture Issuer it is required to file "basic certificates", which the Company has done for each fiscal quarter since the exemption came into effect and for the year ended December 31, 2008.

The Company is cognizant of the impact that good internal controls have with regards to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation. The Company will continue to maintain, wherever practical, disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under applicable securities legislation is accumulated and communicated to management, including the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary as appropriate, to allow timely decisions and actions regarding required disclosure. The Company will also endeavour to establish and maintain adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.