QUESTOR TECHNOLOGY INC.

NEWS RELEASE

QUESTOR TECHNOLOGY INC. RELEASES THIRD QUARTER 2007 FINANCIAL AND OPERATING RESULTS ANNOUNCES RECORD QUARTERLY NET INCOME OF $1.9 MILLION

Calgary, Alberta (November 29, 2007) – Questor Technology Inc. ("Questor" or the "Company") (TSX-V: QST) is pleased to release its financial and operating results for third quarter 2007. The Company today announced a net income of $1,883,793 ($0.08 per share) for the third quarter of 2007 and a net income of $1,870,992 ($0.08 per share) for the nine months ended September 30, 2007 compared to net income of $106,879 ($0.005 per share) for the third quarter of 2006 and net income of $495,414 ($0.02 per share) for the nine months ended September 30, 2006. The net income was primarily attributable to the successful delivery of well testing incinerators to China Petrochemical International Company Ltd. ("SINOPEC") in July 2007 pursuant to the previously announced US$6.6 million contract.

"The third quarter results have positioned the Company for significant growth, affording us the flexibility to build our team and infrastructure, expand the rental fleet and pursue larger international opportunities. It also provides us with the opportunity to further develop our technology to recover the waste heat generated by the incinerators and convert it into power. Our strategy for growth is well underway," said Audrey Mascarenhas, President and Chief Executive Officer. "The heightened environmental focus on global warming and climate change and the health concerns arising from the impacts of poor air quality has created a significant and growing market opportunity for Questor both domestically and internationally."

PERFORMANCE HIGHLIGHTS(1)

- Total revenue for this quarter was $6,925,555 compared to $824,531 in the same quarter in 2006. Total revenue for the first nine months of 2007 was $8,211,967 up from $2,559,561 in the first nine months of 2006. The record revenue results for this quarter are principally the reflection of the SINOPEC sales contract.
- Gross margin for the third quarter and first nine months of 2007 were $3,325,802 and $3,766,089, respectively. Gross margin was higher than third quarter 2006 by $3,140,342 and by $2,772,919 compared to the first nine months of 2006 for much the same reason described in the revenue discussion above.
- Earnings before interest, taxes, depreciation and amortization were $2,880,572 this quarter compared to $150,250 in the same quarter in 2006. Earnings before interest, taxes, depreciation and amortization for the first nine months of 2007 were $2,959,186, up from $632,803 in the same period of 2006.
- Operating income in the first nine months was $2,851,892. After interest expense of $19,674 and current and future income tax expense of $961,226, the net income for the first nine months of the year was $1,870,992.
- Cash provided by operating activities was $3,012,649 for third quarter 2007 compared to cash used in operating activities of $335,368 for the same period in 2006. Cash provided by operating activities for the first nine months of 2007 was $3,585,621, up from $105,351 in the first nine months of 2006.
- Funds generated from operations were $2,748,736 for third quarter 2007 compared to $52,172 for the same period in 2006. Funds generated from operations for the first nine months of 2007 were $2,834,704, up from $529,199 in the first nine months of 2006.
- Total debt was $134,229 at September 30, 2007 compared to $567,090 at December 31, 2006. The Company's debt-to-total capitalization ratio was 2.8 percent, versus 17.5 percent at the end of 2006.

(1) *Includes non-GAAP financial measures. Please see discussion in the Non-GAAP Financial Measures section of the Company's third quarter Management's Discussion and Analysis.*

Questor's unaudited interim financial statements and notes thereto and Management's Discussion and Analysis for the three and nine months ended September 30, 2007 and 2006 is available at 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 focused on clean air technologies with operations 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 provides field burner 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 (H_2S). While the Company's current client base is primarily in the oil and gas industry, this technology is applicable to other industries such as water and sewage treatment, landfills, 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.

The TSX Venture Exchange does not accept 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.
BALANCE SHEETS
(unaudited)

	September 30 2007	December 31 2006
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,014,907**	$ 29,186
Accounts receivable	**524,184**	947,993
Inventory	**360,802**	263,015
Prepaid expenses and deposits	**114,406**	90,074
Income and other taxes receivable	**81,007**	-
Future income tax asset	**-**	583,506
	4,095,306	1,913,774
Property and equipment	**1,368,694**	1,266,758
Intangibles	**80,010**	101,700
Future income tax asset	**50,443**	232,977
	$ 5,594,453	$ 3,515,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 666,476**	$ 271,881
Short-term debt	**-**	461,297
Current portion of long-term debt	**64,925**	48,674
Income and other taxes payable	**182,772**	7,011
	914,175	788,863
Long-term debt	**69,304**	57,119
	983,477	845,982
Shareholders' equity		
Share capital	**5,210,274**	5,188,774
Contributed surplus	**130,969**	81,712
Retained earnings (deficit)	**(730,267)**	(2,601,259)
	4,610,976	2,669,227
	$ 5,594,453	$ 3,515,209

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

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Revenue	**$ 6,897,295**	$ 725,025	**$ 8,163,398**	$ 2,459,257
Less: Direct costs	**3,571,493**	539,565	**4,397,309**	1,466,097
Gross margin	**3,325,802**	185,460	**3,766,089**	993,170
Other revenue	**28,260**	99,506	**48,569**	100,304
Expenses				
General and administrative	**291,958**	162,282	**754,925**	546,581
Foreign exchange loss (gain)	**208,704**	(2,187)	**180,534**	(8,438)
Depreciation and amortization	**9,078**	10,028	**27,307**	29,764
	509,740	170,123	**962,766**	567,907
Operating income	**2,844,322**	114,843	**2,851,892**	525,567
Interest expense				
Short-term debt	**4,703**	7,964	**19,674**	17,769
Long-term debt	**-**	-	**-**	12,384
Income before income taxes	**2,839,619**	106,879	**2,832,218**	495,414
Income tax expense				
Current income tax	**155,065**	-	**155,065**	-
Future income tax	**800,761**	-	**806,161**	-
Net income and comprehensive income	**1,883,793**	106,879	**1,870,992**	495,414
Deficit, beginning of period	**(2,614,060)**	(3,408,338)	**(2,601,259)**	(3,796,873)
Deficit, end of period	**$ (730,267)**	$ (3,301,459)	**$ (730,267)**	$ (3,301,459)
Net income per share				
Basic	**$ 0.079**	$ 0.005	**$ 0.079**	$ 0.021
Diluted	**$ 0.076**	$ 0.004	**$ 0.075**	$ 0.021
Weighted average number of shares outstanding				
Basic	**23,757,370**	23,542,370	**23,724,678**	23,542,370
Diluted	**24,892,051**	24,373,322	**25,066,020**	24,045,393

QUESTOR TECHNOLOGY INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Operating activities				
Net income	**$ 1,883,793**	$ 106,879	**$ 1,870,992**	$ 495,414
Items not involving cash:				
Depreciation and amortization	**36,250**	35,407	**107,294**	107,236
Future income taxes	**800,761**	-	**806,161**	-
Share-based compensation	**27,932**	9,288	**50,257**	25,951
Gain on sale of rental incinerator	**-**	(99,402)	**-**	(99,402)
Funds generated from operations	**2,748,736**	52,172	**2,834,704**	529,199
Net change in non-cash working capital	**263,913**	387,540	**750,917**	(423,848)
Net cash provided by / (used in) operating activities	**3,012,649**	(335,368)	**3,585,621**	105,351
Investing activities				
Additions to property and equipment	**(183,908)**	(3,999)	**(188,955)**	(6,539)
Disposition of property and equipment	**-**	124,956	**1,415**	124,956
Net cash used in investing activities	**(183,908)**	120,957	**(187,540)**	118,417
Financing activities				
Decrease in notes payable	**-**	-	**-**	(300,000)
Decrease in short-term debt	**(687,266)**	(139,170)	**(461,297)**	(68,829)
Increase/(decrease) in long-term debt	**54,809**	(7,484)	**28,437**	(22,445)
Net proceeds from issuance of common shares	**-**	-	**20,500**	-
Net cash used in financing activities	**(632,457)**	(146,654)	**(412,360)**	(391,274)
Change in cash and cash equivalents	**2,196,284**	(361,065)	**2,985,721**	(167,506)
Change in cash and cash equivalents, beginning of period	**818,623**	370,786	**29,186**	177,227
Cash and cash equivalents, end of period	**$ 3,014,907**	$ 9,721	**$ 3,014,907**	$ 9,721

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of financial condition and results of operations dated November 29, 2007 is a review of the results of operations and the liquidity and capital resources of Questor Technology Inc. ("Questor" or the "Company") for the three and nine months ended September 30, 2007 compared to the three and nine months ended September 30, 2006. The MD&A should be read in conjunction with the accompanying unaudited interim financial statements and notes thereto of Questor as at and for the three and nine months ended September 30, 2007 and with the audited financial statements and MD&A contained in the Company's annual report for the year ended December 31, 2006.

This 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 regarding 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, Information Circular and Proxy Statement, material change reports and news releases issued by Questor, are available through the Company's website or directly through the SEDAR system at www.sedar.com.

QUESTOR TECHNOLOGY INC.

Questor is an international environmental oilfield service company focused on clean air technologies with operations 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 provides field burner 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 (H_2S). While the Company's current client base is primarily in the oil and gas industry, this technology is applicable to other industries such as water and sewage treatment, landfills, 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 and nine months ended September 30, 2007 and September 30, 2006.

Financial Results Summary

($ unless otherwise noted)	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Total revenue	**6,925,555**	824,531	**8,211,967**	2,559,561
Gross margin	**3,325,802**	185,460	**3,766,089**	993,170
EBITDA[1]	**2,880,572**	150,250	**2,959,186**	632,803
Operating income[1]	**2,844,322**	114,843	**2,851,892**	525,567
Net income	**1,883,793**	106,879	**1,870,992**	495,414
Cash provided by / (used in) operating activities	**3,012,649**	(335,368)	**3,585,621**	105,351
Funds generated from operations[1]	**2,748,736**	52,172	**2,834,704**	529,199
Total assets	**5,594,453**	3,515,209	**5,594,453**	3,515,209
Long-term liabilities	**69,304**	57,119	**69,304**	57,119
Shares outstanding *(thousands)*[2]				
Basic	**23,757**	23,542	**23,725**	23,542
Diluted	**24,892**	24,373	**25,066**	24,045
Net income per share - Basic	**0.079**	0.005	**0.079**	0.021
Net income per share – Diluted	**0.076**	0.004	**0.075**	0.021

(1) *Includes non-GAAP financial measures. Please see discussion in the Non-GAAP Financial Measures section of the Company's third quarter Management's Discussion and Analysis.*

(2) *Weighted average.*

Discussion of Financial Results for Three Months Ended September 30, 2007

The net income for the three months ended September 30, 2007 was $1,883,793 ($0.079 per basic share) compared to net income of $106,879 ($0.005 per basic share) for the three months ended September 30, 2006. The net income was primarily attributable to the successful delivery of well testing incinerators to China Petrochemical International Company Ltd. ("SINOPEC") in July 2007 pursuant to the previously announced US$6.6 million contract. In addition, higher interest income and lower interest expense, partially offset by lower incinerator rental and field burner service revenues, higher general and administrative expenses, a foreign exchange loss, and income tax expenses also contributed to the net income in third quarter 2007. Compared to the three months ended September 30, 2006, the favourable variance was primarily due to the preceding, partially offset by a gain on sale of a rental incinerator in third quarter 2006 which was not duplicated in the same quarter of 2007.

Questor's total revenue for the quarter ended September 30, 2007 was $6,925,555 compared to $824,531 for the same quarter in 2006. The revenue recognized in this quarter was principally the reflection of the SINOPEC sales contract augmented by higher interest income, partially offset by slightly lower incinerator rental and field burner services revenues and the impact of a gain on sale in third quarter 2006 that was not duplicated in the same period in 2007.

For the three months ended September 30, 2007, the Company reported a gross margin of $3,325,802 compared to a gross margin of $185,460 for the third quarter of 2006. Direct costs of $3,571,493 in third quarter 2007 were up by $3,031,928 compared to same period in 2006. This difference is primarily due to the direct costs associated with the SINOPEC sales contract, partially offset by the effect of direct costs incurred in third quarter 2006 for which there was no corresponding amount in 2007.

General and administrative expense was $291,958 for the third quarter of 2007 compared to $162,282 for the third quarter of 2006. The $129,676 increase was attributable to higher employee-related costs which include share-based compensation expense, engineering consulting fees, higher insurance premiums and additional costs associated with the office relocation and higher minimum lease payments for office space.

Foreign exchange losses of $208,704 were recorded in the three months ended September 30, 2007 compared to a foreign exchange gain of $2,187 in the same period in 2006. The foreign exchange losses arise from cash and cash equivalents and transactions denominated in foreign currencies, principally in United States dollars which weakened during the quarter relative to the Canadian dollar.

Depreciation and amortization expense for third quarter 2007 was relatively unchanged at $36,250 compared to $35,407 in the same quarter last year. Depreciation expense of $27,172 and $25,379 for the three months ended September 30, 2007 and 2006, respectively, relating to rental incinerators, service vehicles and equipment has been included in direct costs.

Interest expense for the three months ended September 30, 2007 was $4,703 compared to $7,964 for the same quarter in 2006. Interest expense in this quarter was lower because the average level of debt during the period and the interest rate thereto was lower as compared to the same quarter in 2006.

Income taxes for third quarter 2007 reflected a current tax expense of $155,065 and a non-cash future income tax expense of $800,761 compared to no tax provision in the same period of 2006. Historically the Company had not been in a taxable position and had not recognized the income tax benefit of its temporary differences and tax pools given the lack of certainty such benefit would be applied. However, when the Company executed the contract with SINOPEC, it was determined the Company would become taxable in 2007 and, consequently, recorded a future income tax asset in its 2006 results. This future income tax asset is now being drawn down as the Company records future income tax expense.

Discussion of Financial Results for Nine Months Ended September 30, 2007

The net income for the nine months ended September 30, 2007 was $1,870,992 ($0.079 per basic share) compared to net income of $495,414 ($0.021 per basic share) for the nine months ended September 30, 2006. The net income was primarily attributable to the successful delivery of well testing incinerators to China Petrochemical International Company Ltd. ("SINOPEC") in July 2007 pursuant to the previously announced US$6.6 million contract. In addition, higher interest income and lower interest expense, partially offset by lower incinerator rental and field burner service revenues, higher general and administrative expenses, a foreign exchange loss, and income tax expenses also contributed to the net income in the first nine months of 2007. Compared to the nine months ended September 30, 2006, the favourable variance was primarily due to the preceding, partially offset by a gain on sale of a rental incinerator in third quarter 2006 which was not duplicated in the same quarter of 2007.

Total revenue for the first nine months of 2007 was $8,211,967 compared to $2,559,561 for the same period in 2006. Revenue was substantially increased due to recognition of the SINOPEC sales contract in third quarter 2007 and, to a lesser extent, higher interest income on a year-to-date basis, all of which was partially offset by lower incinerator rental and field burner services revenues and the impact of a gain on sale in third quarter 2006 that was not duplicated in the same period in 2007.

For the nine months ended September 30, 2007, the Company reported a gross margin of $3,766,089 compared to a gross margin of $993,170 for the first nine months of 2006. Direct costs of $4,397,309 in the first nine months of 2007 were up by $2,931,222 compared to same period in 2006. This difference is primarily due to the direct costs associated with the SINOPEC sales contract and higher costs associated with field burner services operations, partially offset by the effect of direct costs incurred in third quarter 2006 for which there was no corresponding amount in 2007.

General and administrative expense was $754,925 for the first nine months of 2007 compared to $546,581 for the same period of 2006. The $208,344 increase was attributable to higher employee-related costs which include share-based compensation expense, higher audit fees, accounting and engineering consulting fees, higher insurance premiums and additional costs associated with the office relocation and higher minimum lease payments for office space.

Foreign exchange losses of $180,534 were recorded in the nine months ended September 30, 2007 compared to a foreign exchange gain of $8,438 in the same period in 2006. The foreign exchange losses arise from cash and cash equivalents and transactions denominated in foreign currencies, principally in United States dollars which weakened during the quarter relative to the Canadian dollar.

Depreciation and amortization expense for the nine months ended September 30, 2007 was flat at $107,294 compared to $107,236 in the same period last year. Depreciation expense of $79,987 and $77,472 for the nine months ended September 30, 2007 and 2006, respectively, relating to rental incinerators, service vehicles and equipment has been included in direct costs.

Interest expense for the nine months ended September 30, 2007 was $19,674 compared to $30,153 for the same quarter in 2006. In 2006, $300,000 of interest-bearing notes was outstanding for the first quarter and $200,000 of interest-bearing notes were outstanding for substantially all of the second quarter and bore interest in excess of current levels, thereby elevating interest expense in the prior year.

Income taxes for the first nine months of 2007 is comprised of a current tax expense of $155,065 and a non-cash future income tax expense of $806,161 compared to no tax provision in the same period of 2006. Historically the Company had not been in a taxable position and had not recognized the income tax benefit of its temporary differences and tax pools given the lack of certainty such benefit would be applied. However, when the Company executed the contract with SINOPEC, it was determined the Company would become taxable in 2007 and, consequently, recorded a future income tax asset in its 2006 results. The company is now recognizing a non-cash future income tax expense in relation to its taxable income as at September 30, 2007, consequently drawing down the future income tax asset.

Non-GAAP Financial Measures

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

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

		Three months ended September 30		Nine months ended September 30	
		2007	2006	**2007**	2006
EBITDA		**2,880,572**	150,250	**2,959,186**	632,803
Add (deduct):	Depreciation and amortization expense	**(36,250)**	(35,407)	**(107,294)**	(107,236)
	Interest expense	**(4,703)**	(7,964)	**(19,674)**	(30,153)
	Income tax expense	**(955,826)**	-	**(961,226)**	-
Net income (GAAP financial measure)		**1,883,793**	106,879	**1,870,992**	495,414

EBITDA is 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 Deficit and is defined as gross margin plus other revenue less general and administrative expense and foreign exchange losses (gains).

Operating Income

		Three months ended September 30		Nine months ended September 30	
		2007	2006	**2007**	2006
Operating income		**2,844,322**	114,843	**2,851,892**	525,567
Add (deduct):	Interest expense	**(4,703)**	(7,964)	**(19,674)**	(30,153)
	Income tax expense	**(955,826)**	-	**(961,226)**	-
Net income (GAAP financial measure)		**1,883,793**	106,879	**1,870,992**	495,414

Operating income 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. Operating income is calculated from the Statements of Income, Comprehensive Income and 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 Operations

		Three months ended September 30		Nine months ended September 30	
		2007	2006	**2007**	2006
Funds generated from operations		**2,748,736**	52,172	**2,834,704**	529,199
Add (deduct):	Net change in non-cash working capital	**263,913**	(387,540)	**750,917**	(423,848)
Cash provided by / (used in) operating activities (GAAP financial measure)		**3,012,649**	(335,368)	**3,585,621**	105,351

Funds generated from operations is used to assist management and investors in analyzing operating performance, after interest and taxes, without regard to changes in the Company’s non-cash working capital in the period. Funds generated from 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 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.

SUMMARY OF EIGHT MOST RECENTLY COMPLETED QUARTERS

(in $ thousands except per share amounts)	**Q3 2007**	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Total revenue	**6,926**	327	960	664	824	952	783	645
Gross margin	**3,326**	15	425	140	185	439	369	499
Operating income (loss)	**2,844**	(190)	198	(21)	114	247	164	118
Net income (loss)	**1,884**	(141)	128	700	107	238	151	190
Net income (loss) per share								
Basic	**0.08**	(0.01)	0.01	0.03	0.00	0.01	0.01	0.01
Diluted	**0.08**	(0.01)	0.01	0.03	0.00	0.01	0.01	0.01

A number of factors contribute to variations in the Company's quarterly results: weather, customer capital spending as it's affected by oil and gas commodity prices and seasonality and the Company's mix of product and service offerings. The relative size of sales and the timing of revenue recognition can also have a significant impact on quarterly results.

FINANCIAL POSITION

The following table outlines the significant changes in the balance sheets of Questor from December 31, 2006 to September 30, 2007.

Balance sheet item	$ Increase (decrease)	Explanation
Cash and cash equivalents	2,985,721	Cash and cash equivalents increased primarily as a result of the SINOPEC sales contract, payment for which was received on July 31, 2007.
Accounts receivable	(423,809)	Accounts receivable decreased primarily due to the timing of revenue generating activities in third quarter 2007 compared to fourth quarter 2006. In addition, accounts receivable was adjusted downward for a sales invoice adjustment and for the application of the research and development investment tax credit to reduce income taxes payable.
Future income tax asset – current and non-current	(766,040)	Current and non-current future income tax asset accounts receivable decreased as the Company is now recognizing a non-cash future income tax expense in relation to its taxable income as at September 30, 2007.
Property and equipment	101,936	Property and equipment increases principally reflect the additions to the rental incinerator fleet and the acquisition of a service vehicle, partially offset by depreciation.

Balance sheet item	$ Increase (decrease)	Explanation
Accounts payable and accrued liability	394,595	Accounts payable increased primarily due to the timing and level of capital and expense activities in third quarter 2007 compared to fourth quarter 2006 as well as the quantum of royalty payments dependent on the level of revenue.
Short-term debt	(461,297)	Short-term debt decreased as a result of scheduled principal payments and repayment in full of the outstanding balance on the non-revolving demand loan and funding of working capital requirements from cash and cash equivalents rather than from the revolving demand operating loan.
Income and other taxes payable	175,761	Income and other taxes payable increased as the Company is now recognizing a current income tax expense in relation to its taxable income as at September 30, 2007 coupled with VAT payable in respect of its foreign incinerator rental income.

INVESTED CAPITAL

During third quarter 2007 Questor increased its plant and equipment by $183,908 compared to $3,999 in third quarter 2006. The increase was due to additions to the incinerator rental fleet and the acquisition of a service vehicle. There were no disposals of capital assets in third quarter 2007 whereas the sale of an incinerator in the rental fleet reduced plant and equipment by $124,956 in third quarter 2006.

During the first nine months of 2007, the increase in plant and equipment was $188,955 compared to $6,539 for the same period in 2006. Disposals in the first nine months of 2007 were $1,415 compared to $124,956 for the same period in 2006. Each change is the result of the aforementioned activities.

LIQUIDITY AND CAPITAL RESOURCES

Questor historically has used debt and equity financing to the extent that funds generated from operations and deposits received from customers in respect of a sale were insufficient to fund capital expenditures and working capital changes. Should larger transactions require financing beyond existing sources, management believes equity and debt capital markets could be accessed to provide additional financing.

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 2007 funds generated from operations will be sufficient to meet budgeted operating requirements and supply capital to finance the development of new clean air technologies or acquisitions.

Cash Flows

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Operating activities	**3,012,649**	(335,368)	**3,585,621**	105,351
Investing activities	**(183,908)**	120,957	**(187,540)**	118,417
Financing activities	**(632,457)**	(146,654)	**(412,360)**	(391,274)
Change in cash	**2,196,284**	(361,065)	**2,985,721**	(167,506)

Operating Activities

Cash provided by operating activities was $3,012,649 in third quarter 2007 increased from cash used in operating activities of $335,368 in the same period of 2006. The increase was due to higher operating results and the working capital surplus of $263,913 at the end of third quarter 2007 compared to a deficit of $387,540 at the end of third quarter 2006.

Cash provided by operating activities was $3,585,621 in the first nine months of 2007 increased from $105,351 in the same period of 2006. The increase was primarily attributable to higher operating results and the working capital surplus of $750,917 at the end of the first nine months of 2007 compared to a deficit of $423,848 at the end of the same period in 2006

Working Capital

	September 30 2007	December 31 2006
Current assets	**4,095,306**	1,913,774
Current liabilities[1]	**849,250**	278,892
Working capital	**3,246,056**	1,634,882
Current ratio	**4.8**	6.9

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

Investing Activities

Cash used for investing activities in the three and nine months ended September 30, 2007 was $183,908 and $187,540, respectively compared to cash provided by investing activities of $120,957 and $118,417 in the same periods of 2006. The investing activities comprised expenditures for and dispositions of plant and equipment as described in the Invested Capital section of this MD&A.

Financing Activities

Cash used for financing activities in third quarter 2007 was $632,457 compared to $146,654 for the same quarter last year. The increase was primarily due to the repayment of the non-revolving demand loan and the revolving operating loan, partially offset by financing entered into upon acquisition of a service vehicle in September 2007.

For the nine months ended September 30, 2007 cash used for financing activities was $412,360 compared to $391,274 for the same period in 2006. In each period, the Company reduced the credit facilities outstanding at that time by a similar magnitude.

Capital Resources

The Company believes that its access to debt and equity markets, unused bank credit facilities and its funds generated from operations will provide sufficient capital resources and liquidity to fund existing operations and certain acquisition and expansion opportunities in 2007.

At September 30, 2007, the Company had total debt outstanding of $134,229, down from $567,090 at December 31, 2006. The debt was comprised completely of vehicle financing as the Company repaid the principal and accrued interest outstanding on its non-revolving demand loan facility and on its revolving demand operating loan in August 2007.

All of the borrowing facilities from the chartered bank have financial tests and other covenants customary for these types of facilities, which must be met at each quarter-end. At September 30, 2007 Questor was in compliance with these covenants.

Contractual Obligations

There have been no material changes to Questor's contractual obligations from those identified in the MD&A included in the Company's 2006 Annual Report, except for the execution of a sub-lease agreement for office space and of a financing agreement for a service vehicle.

On August 27, 2007, Questor entered into a 43-month sub-lease agreement for office space commencing September 1, 2007. The minimum lease payments will be $32,047 in 2007, $96,141 in each of 2008, 2009 and 2010, and $24,035 in 2011.

On September 27, 2007, Questor entered into a 36-month, zero percent financing agreement in relation to the acquisition of a service vehicle. The required payments will be $5,581 in 2007, $22,326 in each of 2008 and 2009, and $16,744 in 2010.

RISKS AND UNCERTAINTIES

There have been no material changes to Questor's financial and business risks identified in the MD&A included in the Company's 2006 Annual Report.

FINANCIAL INSTRUMENTS AND 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. The effect of assets and liabilities denominated in United States currency became apparent in the third quarter of 2007.

TRANSACTIONS WITH RELATED PARTIES

During third quarter 2007 the Company purchased a service vehicle for $63,189 from a corporation owned by a director of the Company, rented equipment from two employees for $4,000 (nine months ended September 30, 2007 - $11,335) and obtained $240 (nine months ended September 30, 2007 - $375) of office cleaning services from a relative of an employee.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company is not party to any off-balance-sheet arrangements as at September 30, 2007.

SHARE CAPITAL

At September 30, 2007, the Company had 23,757,370 common shares outstanding and a market capitalization of $15,917,438 based on a closing trading price on September 28, 2007 of $0.67 per common share. At September 30, 2007 there were 2,175,000 options outstanding with a weighted average exercise price of $0.29 per share and 668,750 options exercisable at a weighted average exercise price of $0.11 per share under the terms of the share option plan.

On October 31, 2007, 37,500 options to purchase common shares were exercised at $0.10 per share.

CHANGES IN ACCOUNTING POLICIES

Changes for 2007

Effective January 1, 2007 the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook accounting requirements for Section 3855 "Financial Instruments – Recognition and

Measurement", Section 3865 "Hedges", Section 3861 "Financial Instruments – Disclosure and Presentation", Section 1530 "Comprehensive Income", Section 3251 "Equity" and Section 1506 "Accounting Changes". In accordance with the transitional provisions for these new standards, these policies were adopted prospectively without restatement of prior periods. The adoption of these standards has not had a material impact on the financial statements of the Company. For a description of the new accounting rules and the impact on the Company's financial statements of adopting such rules, see note 3 to the unaudited interim financial statements for the three and nine months ended September 30, 2007.

Future Accounting Changes

Section 1535 Capital Disclosures

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007, the new CICA Handbook Section 1535 "Capital Disclosures" requires the disclosure of qualitative and quantitative information about the Company's objectives, policies and processes for managing capital. This new section is

Section 3031 Inventories

Effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2008, the new CICA Handbook Section 3031 "Inventories" replaces Section 3030 and harmonizes the Canadian standard related to inventories with International Financial Reporting Standards. This Section provides more extensive guidance on the determination of cost, including allocation of overhead; narrows the permitted cost formulas; requires impairment testing and expands the disclosure requirements to increase transparency.

Section 3862 Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007, the new CICA Handbook Sections 3862 and 3863 will replace Section 3861 to prescribe the requirements for presentation and disclosure of financial instruments. The objective of Section 3862 is to provide users with information to evaluate the significance of the financial instruments on the entity's financial position and performance, the nature and extent of risks arising from financial instruments, and how the entity manages those risks. The provisions of Section 3863 deal with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. These new sections are effective for the Company beginning January 1, 2008.

International Financial Reporting Standards (IFRS)

In 2006 the Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements in Canada. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected 5-year transitional period. While Questor has begun assessing the adoption of IFRS for 2011, the financial impact of the transition to IFRS cannot be reasonably estimated at this time.

SIGNIFICANT ACCOUNTING POLICIES

Questor's significant accounting policies remain unchanged from December 31, 2006 except as disclosed in the notes to the unaudited interim financial statements for the three and nine months ended September 30, 2007. For further information regarding these policies refer to the notes to the unaudited interim financial statements for the three and nine months ended September 30, 2007 and to the audited financial statements in Questor's 2006 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 unaudited 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 2006 audited financial statements included in the Company's 2006 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 shared-based compensation expense, depreciation and amortization expense, asset impairment assessment and future tax liability.

DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains 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, as appropriate, to allow timely decisions regarding required disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial statement preparation and presentation. During third quarter 2007 there were no material changes to the Company's internal controls over financial reporting.

OUTLOOK

For the remainder of 2007 and into 2008, Questor's management expects to benefit from the heightened environmental focus on global warming and climate change and the health concerns arising from the impacts of poor air quality. The public is demanding action from their governments and rigorous regulatory standards are being implemented to address these issues. Flares are unable to meet the new, more demanding air quality regulations introduced in many international and United States jurisdictions. Questor's incinerator provides technology to our clients to ensure compliance, environmental protection and foster public confidence while reducing costs. The new regulations for the oil and gas industry, particularly in Alberta and British Columbia, have created opportunities for Questor to demonstrate energy effectiveness.

Recently the federal and many of the provincial governments have introduced legislation to regulate industrial Green House Gas ("GHG") emissions by establishing mandatory emissions reduction targets. The regulations cover all GHGs in the Kyoto Protocol, which are carbon dioxide (CO_2), nitrous oxide (N_2O), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and methane ($CH_{4).}$ This legislation has created a significant and growing market opportunity for Questor, domestically and internationally, to assist our clients in meeting the more stringent emissions regulations and potentially create GHG credits with the improved combustion efficiency and energy effectiveness of incinerator technology.

In recent years, Questor has built strategic relationships with various international organizations to support the Company's expansion objectives. The business development initiatives for 2007 and into 2008 are to further develop these relationships and generate additional international opportunities. It is an opportune time for Questor to pursue international markets, expand the incinerator market into other industries and develop strategic alliances in order to maximize value. The Company is actively developing client solutions such as heat recovery and power generation to increase the value of our products and services to our customers.

Future business prospects for the Canadian oil and gas industry are difficult to predict with any degree of certainty. Drilling activity in Canada remains suppressed as lower natural gas prices and regulatory uncertainty caused a reduction in capital spending programs of oil and gas producers. Certain aspects of the Company's activities, particularly incinerator rentals, are directly related to these capital spending programs and accordingly are experiencing a slowdown. The Company's field burner service operations are not dependent on client capital expenditures to the same extent as incinerator rental activities, thereby providing a buffer to declining industry expenditures.

To mitigate the market risk described above and diversify the revenue base of the Company, Questor will continue to focus on the establishment of international client relationships in the petroleum production and processing industry and on the development of new applications for industries where Questor's proprietary technology would also prove effective.

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 nine-month periods ended September 30, 2007 and 2006.

QUESTOR TECHNOLOGY INC.
BALANCE SHEETS
(unaudited)

	September 30 2007	December 31 2006
ASSETS		
Current assets		
Cash and cash equivalents	**$ 3,014,907**	$ 29,186
Accounts receivable	**524,184**	947,993
Inventory	**360,802**	263,015
Prepaid expenses and deposits	**114,406**	90,074
Income and other taxes receivable	**81,007**	-
Future income tax asset	**-**	583,506
	4,095,306	1,913,774
Property and equipment	**1,368,694**	1,266,758
Intangibles	**80,010**	101,700
Future income tax asset	**50,443**	232,977
	$ 5,594,453	$ 3,515,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 666,476**	$ 271,881
Short-term debt *(note 4)*	**-**	461,297
Current portion of long-term debt *(note 5)*	**64,925**	48,674
Income and other taxes payable	**182,772**	7,011
	914,175	788,863
Long-term debt *(note 5)*	**69,304**	57,119
	983,477	845,982
Shareholders' equity		
Share capital *(note 6)*	**5,210,274**	5,188,774
Contributed surplus *(note 7)*	**130,969**	81,712
Retained earnings (deficit)	**(730,267)**	(2,601,259)
	4,610,976	2,669,227
	$ 5,594,453	$ 3,515,209

See accompanying notes to the interim financial statements.

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

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Revenue	**$ 6,897,295**	$ 725,025	**$ 8,163,398**	$ 2,459,257
Less: Direct costs	**3,571,493**	539,565	**4,397,309**	1,466,097
Gross margin	**3,325,802**	185,460	**3,766,089**	993,170
Other revenue	**28,260**	99,506	**48,569**	100,304
Expenses				
General and administrative	**291,958**	162,282	**754,925**	546,581
Foreign exchange loss (gain)	**208,704**	(2,187)	**180,534**	(8,438)
Depreciation and amortization	**9,078**	10,028	**27,307**	29,764
	509,740	170,123	**962,766**	567,907
Operating income	**2,844,322**	114,843	**2,851,892**	525,567
Interest expense				
Short-term debt	**4,703**	7,964	**19,674**	17,769
Long-term debt	**-**	-	**-**	12,384
Income before income taxes	**2,839,619**	106,879	**2,832,218**	495,414
Income tax expense				
Current income tax	**155,065**	-	**155,065**	-
Future income tax	**800,761**	-	**806,161**	-
Net income and comprehensive income *(note 3)*	**1,883,793**	106,879	**1,870,992**	495,414
Deficit, beginning of period	**(2,614,060)**	(3,408,338)	**(2,601,259)**	(3,796,873)
Deficit, end of period	**$ (730,267)**	$ (3,301,459)	**$ (730,267)**	$ (3,301,459)
Net income per share *(note 6)*				
Basic	**$ 0.079**	$ 0.005	**$ 0.079**	$ 0.021
Diluted	**$ 0.076**	$ 0.004	**$ 0.075**	$ 0.021
Weighted average number of shares outstanding *(note 6)*				
Basic	**23,757,370**	23,542,370	**23,724,678**	23,542,370
Diluted	**24,892,051**	24,373,322	**25,066,020**	24,045,393

See accompanying notes to the interim financial statements.

QUESTOR TECHNOLOGY INC.
STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Operating activities				
Net income	**$ 1,883,793**	$ 106,879	**$ 1,870,992**	$ 495,414
Items not involving cash:				
Depreciation and amortization	**36,250**	35,407	**107,294**	107,236
Future income taxes	**800,761**	-	**806,161**	-
Share-based compensation *(note 6)*	**27,932**	9,288	**50,257**	25,951
Gain on sale of rental incinerator	**-**	(99,402)	**-**	(99,402)
Funds generated from operations	**2,748,736**	52,172	**2,834,704**	529,199
Net change in non-cash working capital *(note 8)*	**263,913**	387,540	**750,917**	(423,848)
Net cash provided by / (used in) operating activities	**3,012,649**	(335,368)	**3,585,621**	105,351
Investing activities				
Additions to property and equipment	**(183,908)**	(3,999)	**(188,955)**	(6,539)
Disposition of property and equipment	**-**	124,956	**1,415**	124,956
Net cash used in investing activities	**(183,908)**	120,957	**(187,540)**	118,417
Financing activities				
Decrease in notes payable	**-**	-	**-**	(300,000)
Decrease in short-term debt *(note 4)*	**(687,266)**	(139,170)	**(461,297)**	(68,829)
Increase/(decrease) in long-term debt *(note 5)*	**54,809**	(7,484)	**28,437**	(22,445)
Net proceeds from issuance of common shares *(note 6)*	**-**	-	**20,500**	-
Net cash used in financing activities	**(632,457)**	(146,654)	**(412,360)**	(391,274)
Change in cash and cash equivalents	**2,196,284**	(361,065)	**2,985,721**	(167,506)
Change in cash and cash equivalents, beginning of period	**818,623**	370,786	**29,186**	177,227
Cash and cash equivalents, end of period	**$ 3,014,907**	$ 9,721	**$ 3,014,907**	$ 9,721

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 an international environmental oilfield service company focused on clean air technologies with operations 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 provides field burner services.

2. BASIS OF PRESENTATION

The unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP). The accounting policies applied are consistent with those outlined in the Company’s annual financial statements for the year ended December 31, 2006, except as described below in note 3. These unaudited interim financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the 2006 audited financial statements included in the Company’s Annual Report.

All amounts are stated in Canadian dollars unless otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Changes for 2007

Effective January 1, 2007 the Company adopted the new Canadian Institute of Chartered Accountants (“CICA”) Handbook accounting requirements for Section 3855 “Financial Instruments – Recognition and Measurement”, Section 3865 “Hedges”, Section 3861 “Financial Instruments – Disclosure and Presentation”, Section 1530 “Comprehensive Income”, Section 3251 “Equity” and Section 1506 “Accounting Changes”. In accordance with the transitional provisions for these new standards, these policies were adopted prospectively without restatement of prior periods.

Accounting Changes

This section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The adoption of this standard did not have a material impact on the unaudited interim financial statements of the Company.

Financial Instruments

All financial instruments, including derivatives, are included on the balance sheet initially at fair value. The financial assets are classified as held for trading, held to maturity, loans and receivables, or available for sale. Financial liabilities are classified as held for trading or other financial liabilities. Subsequent measurement is determined by classification.

Held for trading financial assets and liabilities are initially accounted for at their fair value and changes to fair value are recorded in income. The available for sale classification includes non-derivative financial assets that are designated as available for sale or are not included in the other three classifications. Available for sale instruments are initially accounted for at their fair value and changes to fair value are recorded through other comprehensive income. Income earned from these investments would be included in revenue. Held to maturity financial assets, loans and receivables and other financial liabilities not classified as held for trading are accounted for at their amortized cost using the effective interest method.

Derivatives embedded in other financial instruments or contracts (the host instrument) are recorded as separate derivatives and are measured at fair value if the economic characteristics of the embedded derivative are not closely related to the host instrument, the terms of the embedded derivative are the same as those of a stand alone derivative and the total contract is not held for trading or accounted for at fair value. Changes in fair value are included in income.

All derivatives, other than those that meet the expected purchase, sale or usage requirements exception, are carried on the balance sheet at fair value. The Company used January 1, 2003 as the transition date for identifying embedded derivatives. The Company did not identify any embedded derivatives requiring bifurcation.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. For financial instruments classified as other than held for trading, transaction costs attributable to the acquisition or issue of the financial asset or liability are added to the initial carrying amount of the financial instrument and recognized in earnings using the effective interest method.

In accordance with the standards, the Company adopted the following three classifications:

- Cash and cash equivalents are classified as held for trading. Measurement made subsequent to the adoption date of this new standard is at fair value;

- Accounts receivable are classified as loans and receivables. Measurements made subsequent to the adoption date of this new standard are recorded at amortized cost which generally corresponds to cost less any allowances for doubtful accounts; and

- Short-term debt, accounts payable, accrued liabilities and long-term debt are classified under other financial liabilities. Measurements made subsequent to the adoption date of this new standard are recorded at amortized cost using the effective interest rate method. For the Company, this measurement generally corresponds to cost.

Hedges

The new standard specifies the circumstances under which hedge accounting is permissible, how hedge accounting may be performed and where the impacts should be recorded. The standard introduces three specific types of hedging relationships: fair value hedges, cash flow hedges and hedges of a net investment in self-sustaining foreign operations. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as an effective hedge, or the derivative is terminated or sold, or upon the sale or early termination of the hedged item, or when the Company chooses to de-designate. The Company has not entered into any derivative contracts.

Comprehensive Income and Equity

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. Accumulated other comprehensive income, if applicable, is included in the shareholders' equity section of the balance sheet. The components of the new category will include unrealized gains and losses on financial instruments classified as available for sale and the effective portion of cash flow hedges. The Company had no "other comprehensive income/loss" transactions during the nine months ended September 30, 2007.

As at January 1, 2007 no transitional adjustments had been made to the opening balance of retained earnings or to the opening balance of accumulated other comprehensive income arising from the adoption of sections 1530, 3855, and 3865.

Future Accounting Changes

Section 1535 Capital Disclosures

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007, the new CICA Handbook Section 1535 “Capital Disclosures” requires the disclosure of qualitative and quantitative information about the Company’s objectives, policies and processes for managing capital. This new section is effective for the Company beginning January 1, 2008.

Section 3031 Inventories

Effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2008, the new CICA Handbook Section 3031 “Inventories” replaces Section 3030 and harmonizes the Canadian standard related to inventories with International Financial Reporting Standards. This Section provides more extensive guidance on the determination of cost, including allocation of overhead; narrows the permitted cost formulas; requires impairment testing and expands the disclosure requirements to increase transparency.

Section 3862 Financial Instruments – Disclosures and Section 3863 – Financial Instruments – Presentation

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2007, the new CICA Handbook Sections 3862 and 3863 will replace Section 3861 to prescribe the requirements for presentation and disclosure of financial instruments. The objective of Section 3862 is to provide users with information to evaluate the significance of the financial instruments on the entity’s financial position and performance, the nature and extent of risks arising from financial instruments, and how the entity manages those risks. The provisions of Section 3863 deal with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. These new sections are effective for the Company beginning January 1, 2008.

International Financial Reporting Standards (IFRS)

In 2006 the Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements in Canada. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected 5-year transitional period. While Questor has begun assessing the adoption of IFRS for 2011, the financial impact of the transition to IFRS cannot be reasonably estimated at this time.

4. SHORT-TERM DEBT

In September 2005, the Company obtained a $400,000 non-revolving demand loan with a chartered bank, repayable in monthly payments of $8,334 plus interest at bank prime plus 1.5 percent per annum. At December 31, 2006, $274,990 was outstanding. In February 2007, the Company renegotiated the interest rate applicable to this loan at bank prime plus 1.25 percent per annum. On August 2, 2007, the Company repaid the principal and accrued interest outstanding on its non-revolving demand loan facility of $208,404.

In September 2005, the Company also obtained a revolving demand operating loan to a maximum of $560,000, the availability of which is subject to the specified margin requirements. The revolving demand operating loan bears interest at bank prime plus 1.25 percent per annum. The Company has provided a general security agreement and an assignment of insurance proceeds as security. At December 31, 2006, $186,307 was outstanding. In February 2007, the Company renegotiated the interest rate applicable to this loan at bank prime plus 1.00 percent per annum and arranged for up to $100,000 of this loan to be made available for the issuance of letters of credit and/or letters of guarantee for suppliers. At September 30, 2007, no amount was outstanding under this facility.

In February 2007, the Company obtained a revolving foreign letter of credit / letter of guarantee facility established to a maximum of $2 million and at a fee equal to 1.50 percent per annum calculated in relation to the face amount and term of the letter of credit / letter of guarantee. At September 30, 2007, no amount was outstanding under this facility.

5. LONG-TERM DEBT

The long-term debt consists of service vehicle financing.

	September 30 2007	December 31 2006
GMAC financing at 0% for 48 months, secured by a lien on the vehicle. Interest and monthly payments of $868 to February 2008.	**$ 4,340**	$ 12,151
Chrysler financing at 0% for 36 months, secured by a lien on the vehicle. Interest and monthly payments of $1,626 to November 2008.	**22,763**	37,397
Chrysler financing at 0% for 36 months, secured by a lien on the vehicle. Interest and monthly payments of $1,562 to November 2009.	**40,149**	56,245
Chrysler financing at 0% for 36 months, secured by a lien on the vehicle. Interest and monthly payments of $1,860 to September 2010.	**66,977**	-
	134,229	105,793
Less: Current portion	**(64,925)**	(48,674)
	$ 69,304	$ 57,119

Payments required are as follows:

Fourth quarter 2007	$ 17,750
2008	60,696
2009	39,039
2010	16,744
	$ 134,229

6. SHARE CAPITAL

Shares Issued and Outstanding

	Number of shares	Amount
Shares issued and outstanding, December 31, 2006	23,582,370	$ 5,188,774
Shares issued for cash on exercise of options	175,000	21,500
Shares issued and outstanding, September 30, 2007	**23,757,370**	**$ 5,210,274**

Weighted Average Number of Shares Outstanding

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Number of shares – Basic	**23,757,370**	23,542,370	**23,724,678**	23,542,370
Dilutive stock options	**1,134,681**	830,952	**1,341,342**	503,023
Number of shares – Diluted	**24,892,051**	24,373,322	**25,066,020**	24,045,393

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 September 30, 2007, 4,708,474 shares were reserved for issuance under the plan. To September 30, 2007, options granted under the plan had a term of 5 years to expiry and vested no longer than over a four-year period. At September 30, 2007, outstanding options were exercisable to the year 2012. Options outstanding under the plan had a weighted average exercise price of $0.29 per share and a weighted average remaining term of 3.47 years. Share-based compensation expense charged to general and administrative expense for the quarter ended September 30, 2007 was $27,932 (three months ended September 30, 2006 - $9,288), and for the nine months ended September 30, 2007 was $50,257 (nine months ended September 30, 2006 - $25,951), with a corresponding increase to contributed surplus.

The following tables summarize the information about the Company's share option plan as at September 30, 2007:

	Number of options		Exercise price(1)
Share options outstanding, December 31, 2006	1,875,000	$	0.12
Granted	700,000		0.67
Exercised	(175,000)		0.12
Cancelled	(225,000)		0.14
Share options outstanding, September 30, 2007	**2,175,000**	**$**	**0.29**
Share options exercisable, September 30, 2007	**668,750**	**$**	**0.11**

(1) *Weighted average.*

Options Outstanding				Options Exercisable		
Number Outstanding		Exercise price(1)	Remaining contractual life(2)	Number Exercisable		Exercise price(1)
1,175,000	$	0.10	2.48	593,750	$	0.10
300,000		0.18	4.00	75,000		0.18
700,000		0.67	4.91	-		0.67
2,175,000	**$**	**0.29**	**3.47**	**668,750**	**$**	**0.11**

(1) *Weighted average.*
(2) *Weighted average number of years.*

7. CONTRIBUTED SURPLUS

	September 30 2007	December 31 2006
Contributed surplus, beginning of period	**$ 81,712**	$ 49,878
Share-based compensation expense	**50,257**	33,348
Transferred to share capital from exercise of share options	**(1,000)**	(1,514)
Contributed surplus, end of period	**$ 130,969**	**$ 81,712**

8. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in the following non-cash working capital items increased/(reduced) cash flows related to operations as follows:

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Accounts receivable	**$ 4,538,689**	$ (261,050)	**$ 423,809**	$ (48,043)
Inventory	**2,591,374**	1,192	**(97,787)**	(227,743)
Prepaid expenses and deposits	**(82,810)**	(86,748)	**(24,332)**	(54,203)
Income and other taxes receivable	**(26,756)**	28,890	**(81,007)**	(290)
Accounts payable and accrued liabilities	**(256,410)**	(10,913)	**394,595**	(82,363)
Income and other taxes payable	**182,722**	3,289	**175,761**	(9,706)
Deferred revenue and deposits	**(6,642,826)**	(62,200)	**-**	(1,500)
	304,034	(387,540)	**791,038**	(423,848)
Less: Change in future income tax expense included in accounts receivable	**(40,121)**	-	**(40,121)**	-
	$ 263,913	$ (387,540)	**$ 750,917**	$ (423,848)

The following cash payment has been included in the determination of net income:

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Interest paid	**$ 6,443**	$ 7,964	**$ 19,674**	$ 30,153

9. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with related parties. These transactions are recorded at their exchange amounts and are as follows:

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Office cleaning payments made by Questor to a relative of an employee	**$ 240**	$ -	**$ 375**	$ -
Equipment rental payments made by Questor to two employees	**4,000**	1,625	**11,335**	7,345
Acquisition of a service vehicle by Questor from a corporation owned by a director of the Company	**63,189**	-	**63,189**	-
Interest expense and repayment of unsecured notes payable to a relative of an officer who is also a director of the Company	**-**	-	**-**	312,384
	$ 67,429	$ 1,625	**$ 74,899**	$ 319,729

The resulting amounts due to related parties are non-interest bearing other than the unsecured notes repaid in the first and second quarters of 2006 which bore interest at 10 percent per annum.

Included in accounts payable and accrued liabilities at September 30, 2007 is $1,890 (September 30, 2006 - $nil).

10. SEGMENTED INFORMATION

The Company reports its business activities as one reportable segment.

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

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
Total revenue				
Canada	**$ 274,799**	$ 644,551	**$ 1,368,820**	$ 1,572,270
International	**6,650,756**	179,980	**6,843,147**	987,291
	$ 6,925,555	$ 824,531	**$ 8,211,967**	$ 2,559,561

		September 30 2007		December 31 2006
Property and equipment				
Canada	**$**	**1,060,546**	$	946,266
International		**308,148**		320,492
	$	**1,368,694**	$	1,266,758

11. COMPARATIVE FIGURES

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

ABOUT QUESTOR TECHNOLOGY INC.

Questor is an international environmental oilfield service company focused on clean air technologies with operations 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 provides field burner 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 (H_2S). In today's environment of increasing regulation to protect air quality and address the public's concerns relating to climate change and global warming, Questor's product offerings are well positioned. While the Company's current client base is primarily in the oil and gas industry, this technology is applicable to other industries such as water and sewage treatment, landfills, tire recycling and agriculture.

Questor trades on the TSX Venture Exchange under the symbol "QST".

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