



**NEWS RELEASE  
QUESTOR TECHNOLOGY INC.  
ANNOUNCES SECOND QUARTER 2015 FINANCIAL RESULTS**

**Calgary, Alberta (August 31<sup>st</sup>, 2015)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the second quarter of 2015. Revenue this quarter was \$1.7 million, 61% lower than the prior year second quarter as the significant decline in commodity prices, for oil in particular, has caused our customers to defer capital expenditures and place projects on hold to conserve capital. Revenue for the first 6 months was \$4.1 million, down 47% from the prior year. In this current economic environment, the option to rent equipment is attractive to both our clients and the Company. Questor has seen a rental revenue increase of 88% in Q2 and 126% in the first half of 2015 versus 2014 respectively. Incinerator and combustion service revenue for the six months ended June 30<sup>th</sup> was up by 115%, with the majority of the revenue growth in the United States. There are strong indications that this increased trend in rental demand will continue into the second half of 2015 and into 2016. We continue to invest in our rental fleet to meet this trend and have recently added two new Q5000 units to the rental inventory which are scheduled for an Alberta well test in Q3 and then relocation to Colorado in early 2016 to address the continuing demand in that region.

The Company generated a profit of \$85,696 (\$0.003 per share) in the second quarter of 2015 down from the \$1,394,323 (\$0.055 per share) in the second quarter of the prior year due primarily to lower revenues arising out of the lower volume of incinerators sold. Profit for the six months ended June 30 was \$577,678 or \$0.022 per share. Higher net foreign exchange gains and other income recorded in 2015 compared to the same period of 2014 contributed positively to the Company’s overall financial performance.

**FINANCIAL HIGHLIGHTS SUMMARY**

*(Stated in Canadian dollars except shares outstanding)*

For the	<u>Three months ended June 30</u>			<u>Six months ended June 30</u>		
	<b>2015</b>	2014	Increase (decrease)	<b>2015</b>	2014	Increase (decrease)
<b>Revenue</b>	<b>1,733,562</b>	4,502,651	(2,769,089)	<b>4,102,648</b>	7,718,088	(3,615,440)
<b>Gross profit<sup>(1)</sup></b>	<b>648,753</b>	2,545,152	(1,896,399)	<b>1,848,292</b>	3,987,693	(2,139,401)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>352,240</b>	1,966,338	(1,614,098)	<b>1,276,397</b>	3,121,207	(1,844,811)
<b>Profit for the period<sup>(2)</sup></b>	<b>85,696</b>	1,394,323	(1,308,627)	<b>577,678</b>	2,196,073	(1,618,395)
<b>Cost of sales as a percent of revenue<sup>(1)</sup></b>	<b>62.6%</b>	43.5%	19.1%	<b>54.9%</b>	48.3%	6.6%
<b>Cash generated from operations before movements in non-cash working capital<sup>(1)</sup></b>	<b>125,734</b>	2,087,203	(1,961,469)	<b>992,833</b>	3,342,268	(2,349,435)

For the	Three months ended June 30			Six months ended June 30		
	2015	2014	Increase (decrease)	2015	2014	Increase (decrease)
Shares outstanding <sup>(2)</sup>						
<b>Basic Shares</b>	<b>25,919,540</b>	25,475,639	443,901	<b>25,879,925</b>	25,379,539	500,386
<b>Diluted Shares</b>	<b>26,338,494</b>	26,478,434	(139,939)	<b>26,311,729</b>	26,364,696	(53,240)
Earnings per Share						
<b>Basic</b>	<b>\$0.003</b>	0.055	(\$0.052)	<b>\$0.022</b>	0.087	(\$0.065)
<b>Diluted</b>	<b>\$0.003</b>	0.053	(\$0.050)	<b>\$0.022</b>	0.083	(\$0.061)
<b>Total assets</b>				<b>16,506,953</b>	16,156,941	350,012
<b>Non-Current Liabilities</b>				<b>221,864</b>	230,922	(9,058)

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

(2) *Weighted average number of shares*

In the U.S., State and Federal regulations on emissions and the fines being imposed for non-compliance have made it essential for our clients to find cost effective solutions to address air quality issues associated with tank and gas dehydration emissions. New rules recently introduced in the U.S. for methane emissions due to their heightened impact on climate change will also create an opportunity for Questor's incineration technology. The superior performance of Questor's products and demonstrated operational success has led certain customers to specify the Company's equipment as a best practice. The successful completion of the EPA's Quad O testing for combustion devices earlier this year positions Questor as a reliable choice for eliminating fugitive emissions. Our marketing strategy is focused on highlighting the value of Questor's unique ability to meet the regulations while reducing operating costs.

We have invested in product development in two main areas to provide our customers with an integrated site solution to meet their needs to reduce operating costs. Questor acquired ClearPower Systems Inc. ("ClearPower") in early 2014, and has invested funds to further develop the technology that transforms waste heat from any source into power. Testing of the revised prototype unit was completed this quarter with results that exceeded expectations. The unit generated in excess of 65kW of power making it a very competitive solution. We are currently preparing to move this unit to our Grande Prairie facility in preparation for further testing integrated with our incinerator. Later this year, with the valued support of SDTC funding from the Canadian federal government, we will demonstrate this technology in the field. Questor is now marketing this technology and, based on the early interest, the first sale is anticipated prior to year-end. The ClearPower options not only serve our oil and gas clients, but they allow Questor to diversify our product offering to industries outside of oil and gas.

The company has also designed a means to compliantly vaporize produced water at site, using heat from the incineration process, which will significantly reduce the operating expense for water disposal. We are in the process of submitting a patent application. A pilot demonstration is planned for early Q4 with full commercialization to follow. The solution will be aggressively marketed to those regions where water handling costs are prohibitive, water disposal is difficult or unavailable, and to areas where there is a heightened concern with seismic activity at water disposal wells. This technology is applicable to many wells in Western Canada and the US that are currently uneconomic because of low oil prices and the cost of produced water disposal. These wells will be our focus for this technology.

“The downturn in the market has created an opportunity to attract new talent and the company has recently added staff to its sales and marketing team who will focus on increasing incinerator sales and rentals in the U.S. and Canada,” said Ms. Audrey Mascarenhas, Questor’s President and CEO. “We are actively recruiting sales representatives in the US in our key markets especially in areas where newer regulations are being enforced. We believe the market to be substantial for all our technologies and anticipate revenue generation from the new technologies in late 2015.” In addition to growing its own sales team, Questor is also looking at partnerships with other companies that have a sales presence in the areas that our clients are active in to add to this sales initiative.

Despite the reduction in activity in the industry, as a whole, Questor continues to see opportunities to provide significant value. As commodity prices remain lower for an extended period, it is becoming even more critical to lower operating costs and Questor provides cost effective solutions for companies to cleanly combustion flow back gases, ultimately lowering the costs to comply with regulatory requirements. Questor’s solutions have helped customers reduce their costs at gas dehydration facilities and by consolidating waste gas combustion into one stack at facilities that formerly required more complicated, unreliable equipment. Adding new commercial technologies, such as generating power from waste heat and vaporizing wastewater are also expense-lowering solutions, which will allow industry to profit compliantly in low commodity price periods.

Questor will continue to market these non-traditional solutions that industry is gradually realizing are a unique combination of cost savings, reliability, social acceptance and regulatory compliance. The key is ensuring that this marketing message is delivered to the appropriate personnel in industry. Having experienced a curtailment in activity in sales revenue over the first half of 2015 Questor has now focussed its rental strategy and presence in the US in those select regions where demand and regulatory requirements are greatest. Despite the slowdown in activity, Questor is excited with the opportunities to move forward with its unique cost saving solutions and new technologies that will add further value to industry’s bottom line.

Further to this release, Questor announces today that Mr. Richard Pinder resigned from the Board of Directors. Questor would like to thank Mr. Pinder for his time and mentorship and wish him well in his future endeavours. The Board has initiated the search for a replacement.

Questor’s unaudited condensed consolidated financial statements and notes thereto and management’s discussion and analysis for the six months ended June 30, 2015 will be available shortly on the Company’s website at [www.questortech.com](http://www.questortech.com) and through SEDAR at [www.sedar.com](http://www.sedar.com).

## **ABOUT QUESTOR TECHNOLOGY INC.**

Questor is an international environmental oilfield services provider founded in late 1994 and headquartered in Calgary, Alberta, Canada with a field office located in Grande Prairie, Alberta. The Company is focused on clean air technologies with activities in Canada, the United States, Europe and Asia. Questor designs and manufactures high combustion efficiency waste gas incinerators for sale or for use on a rental basis and also provides combustion-related oilfield services. The Company’s proprietary incinerator technology destroys noxious or toxic hydrocarbon gases, which enables regulatory compliance, environmental protection, public confidence and reduced operating costs for customers. Questor is recognized for its particular expertise in the combustion of sour gas (H<sub>2</sub>S). The technology creates an opportunity to utilize the heat generated from efficient combustion which can be used for water vapourization, process heat and power generation, through ClearPower Solutions (a subsidiary of Questor). While Questor’s current customer base operates primarily in the crude oil and natural gas industry, the Company’s combustion technology is applicable to other industries such as landfills, water and sewage treatment, tire recycling and agriculture.

Questor trades on the TSX Venture Exchange under the symbol “QST”.

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Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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**QUESTOR TECHNOLOGY INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*Stated in Canadian dollars*  
*Unaudited*

As at	Notes	June 30 2015	December 31 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	<b>\$4,930,669</b>	\$5,640,570
Trade and other receivables	4	<b>2,701,922</b>	3,044,999
Inventories	5	<b>1,703,602</b>	2,210,542
Prepaid expenses and deposits		<b>64,788</b>	119,667
Current tax assets		<b>10,053</b>	49,198
Total current assets		<b>9,411,034</b>	11,064,976
<b>Non-current assets</b>			
Property and equipment	6, 12	<b>4,035,782</b>	3,408,250
Intangible assets	7	<b>2,372,739</b>	1,266,420
Goodwill	2	<b>687,398</b>	687,398
Total non-current assets		<b>7,095,919</b>	5,362,068
<b>Total assets</b>		<b>\$16,506,953</b>	\$16,427,044
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade payables, accrued liabilities, provisions		<b>\$767,311</b>	\$1,162,885
Deferred revenue and deposits		<b>31,054</b>	-
Current portion of lease inducement		<b>52,002</b>	52,002
Current tax liabilities		<b>-</b>	417,647
Total current liabilities		<b>850,367</b>	1,632,534
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>178,430</b>	161,487
Lease inducement		<b>43,334</b>	69,335
Total non-current liabilities		<b>221,764</b>	230,822
Total liabilities		<b>1,072,131</b>	1,863,356
<b>Capital and reserves</b>			
Issued capital	8	<b>6,027,675</b>	5,934,704
Reserves		<b>996,595</b>	875,288
Retained earnings		<b>8,318,825</b>	7,741,147
Cumulative translation adjustment		<b>91,727</b>	12,549
Total equity		<b>15,434,822</b>	14,563,688
<b>Total liabilities and equity</b>		<b>\$16,506,953</b>	\$16,427,044

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**QUESTOR TECHNOLOGY INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

*Stated in Canadian dollars*  
*Unaudited*

		For the three months ended June 30		For the six months ended June 30	
	Notes	2015	2014	2015	2014
Revenue	9, 12	<b>\$ 1,733,562</b>	\$ 4,502,651	<b>\$ 4,102,648</b>	\$ 7,718,088
Cost of sales		<b>(1,084,809)</b>	(1,957,499)	<b>(2,254,356)</b>	(3,730,395)
Gross profit		<b>648,753</b>	2,545,152	<b>1,848,292</b>	3,987,693
Administration expenses		<b>(655,959)</b>	(605,724)	<b>(1,464,235)</b>	(1,092,880)
Net foreign exchange gains (losses)		<b>172,522</b>	(34,047)	<b>473,274</b>	109,107
Depreciation of property and equipment		<b>(11,318)</b>	(13,973)	<b>(22,775)</b>	(25,937)
Amortization of intangible assets	7	<b>(905)</b>	(1,332)	<b>(1,809)</b>	(1,637)
Other income		<b>9,801</b>	11,179	<b>40,567</b>	13,878
Profit before tax		<b>162,894</b>	1,901,255	<b>873,314</b>	2,990,224
Income tax expense		<b>(77,198)</b>	(506,932)	<b>(295,636)</b>	(794,151)
<b>Profit for the period</b>		<b>\$ 85,696</b>	\$ 1,394,323	<b>\$ 577,678</b>	\$ 2,196,073
<b>Other comprehensive (loss) income, net of income tax</b>					
Exchange differences on translating foreign operations		<b>57,427</b>	8,235	<b>79,178</b>	6,585
<b>Total comprehensive income</b>		<b>\$ 143,123</b>	\$ 1,402,558	<b>\$656,856</b>	\$ 2,202,658
<b>Earnings per share</b>	11				
Basic		<b>\$0.003</b>	\$0.055	<b>\$0.022</b>	\$0.087
Diluted		<b>\$0.003</b>	\$0.053	<b>\$0.022</b>	\$0.083

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**QUESTOR TECHNOLOGY INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

*Stated in Canadian dollars*  
*Unaudited*

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
<b>Balance at January 1, 2015</b>	\$ 5,934,704	\$ 875,288	\$ 7,741,147	\$ 12,549	\$ 14,563,688
Profit for the period	-	-	577,678	-	577,678
Recognition of share-based payments	-	157,403	-	-	157,403
Issue of ordinary shares under employee share option plan	92,971	(36,096)	-	-	56,875
Translation of foreign operations	-	-	-	79,178	79,178
<b>Balance at June 30, 2015</b>	<b>\$6,027,675</b>	<b>\$996,595</b>	<b>\$8,318,825</b>	<b>\$ 91,727</b>	<b>\$ 15,434,822</b>

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
<b>Balance at January 1, 2014</b>	\$ 5,636,119	\$ 703,156	\$ 4,826,280	\$ -	\$ 11,165,555
Profit for the period	-	-	2,196,073	-	2,196,073
Recognition of share-based payments	-	93,371	-	-	93,371
Issue of ordinary shares under employee share option plan	166,824	(65,399)	-	-	101,425
Translation of foreign operations	-	-	-	6,585	6,585
<b>Balance at June 30, 2014</b>	<b>\$ 5,802,943</b>	<b>\$ 731,128</b>	<b>\$ 7,022,353</b>	<b>\$ 6,585</b>	<b>\$ 13,563,009</b>

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**QUESTOR TECHNOLOGY INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*Stated in Canadian dollars*  
*Unaudited*

For the six months ended June 30	Notes	2015	2014
<b>Cash flows used in operating activities</b>			
Profit for the period		<b>\$ 577,678</b>	\$ 2,196,073
Adjustments for:			
Income tax expense		<b>295,636</b>	794,151
Depreciation of property and equipment	6	<b>243,870</b>	129,346
Amortization of intangible assets	7	<b>1,809</b>	1,637
Net unrealized foreign exchange losses (gains)		<b>(283,563)</b>	127,690
Expense recognized in respect of equity-settled share-based payments	8	<b>157,403</b>	93,371
		<b>992,833</b>	3,342,268
Movements in non-cash working capital	13	<b>(101,648)</b>	(3,045,341)
Cash generated from operations		<b>891,185</b>	296,927
Income taxes paid		<b>(657,196)</b>	(746,915)
Net cash (used in) generated from operating activities		<b>233,989</b>	(449,988)
<b>Cash flows used in investing activities</b>			
Payments for property and equipment	6	<b>(55,000)</b>	(82,043)
Payments for intangible assets	7	<b>(1,108,128)</b>	(263,002)
Acquisition of a business		-	(1,000,710)
Net cash used in investing activities		<b>(1,163,128)</b>	(1,345,755)
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares under employee share option plan		<b>56,875</b>	101,425
Net cash generated from financing activities		<b>56,875</b>	101,425
<b>Net decrease in cash</b>		<b>(872,264)</b>	(1,694,318)
Cash and cash equivalents at beginning of the period		<b>5,640,570</b>	7,323,303
Effects of translation of foreign currencies		<b>162,363</b>	6,585
<b>Cash and cash equivalents at end of the period</b>		<b>\$ 4,930,669</b>	\$ 5,635,570

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