

**INCREASED RENTAL REVENUE DRIVES POSITIVE CASH FLOW AND THIRD QUARTER 2016 FINANCIAL RESULTS**

Questor Technology Inc. ("Questor", the "Company" or "we"), (TSX Venture Exchange: QST), a leading provider of high efficiency waste gas combustion systems, power generation systems utilizing waste heat and water treatment solutions, today announced its operating and financial results for the three months ended September 30, 2016 (the "Quarter") and the nine months ended September 30, 2016.

The weak commodity price environment continues to persist through 2016. "Despite the challenging operating environment, Questor generated positive operating cash flow for the quarter and we continue to maintain our balance sheet comprising strong cash balances and no debt," said Audrey Mascarenhas, President and CEO of Questor. "Looking forward, we are positive about the markets we serve and are confident that our customer relationships and business model position us to manage through this cycle. We remain focused on diversifying the Questor platform, and we will continue to execute on market opportunities to support this strategy. In response to regulations and demand for our equipment in Colorado, we have deployed additional mobile rental units to the State and strengthened our operations to meet demand for regulated closed loop completions or green completions."

Questor has recently received a purchase order for a number of incinerators for deployment in the State of Colorado during the fourth quarter of 2016. Development and deployment of the new hybrid model incinerator serves both rental and sales sectors, resulting in a blend of revenue. These new unit sales for production facility equipment is significant as it allows Questor to provide emission control for wells right from the initial flow back period through the duration of their production life. Questor is proud to have been selected for both of these types of applications and will continue its pursuit of earning the confidence and business of existing clients as well as new customers.

Questor continues to invest in waste heat to power and has added two distributors while actively marketing this energy efficient technology. The Company constructed the water vaporization prototype in Grande Prairie during the quarter, advancing another important technology that Questor is eager to commercialize.

*(Stated in Canadian dollars \$)*

	Three Months Ended September		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue	<b>1,674,587</b>	1,682,607	<b>4,595,653</b>	5,785,255
Gross Profit (Loss) <sup>(1)</sup>	<b>794,491</b>	504,852	<b>1,576,238</b>	2,353,144
Adjusted EBITDA <sup>(1)</sup>	<b>225,796</b>	109,470	<b>(176,173)</b>	1,360,549
Profit (Loss) for the period <sup>(2)</sup>	<b>(96,484)</b>	(90,030)	<b>(689,131)</b>	487,647
Per share — basic	<b>(0.00)</b>	(0.00)	<b>(0.03)</b>	0.02
Per share — diluted	<b>(0.00)</b>	(0.00)	<b>(0.03)</b>	0.02

As at	September 30, 2016	December 31, 2015
Working capital, end of period	7,913,014	8,854,920
Total assets, end of period	15,781,630	16,280,884
Total equity, end of period	14,463,611	14,869,245

<sup>(1)</sup> *Non-IFRS financial measure. Please see discussion in the Non-IFRS Financial Measures section of Questor's Management's Discussion and Analysis for the year ended December 31, 2015.*

<sup>(2)</sup> *Weighted average.*

---

### **Three months ended Q3 2016 versus Q3 2015**

Revenue for the quarter was consistent with the prior year. The Company continues to experience declines in revenue as result of lower activity and constraints on capital spending in the North American Oil and Gas sector due to depressed oil and gas prices.

Incinerator sales were most significantly impacted, decreasing 41% from the prior year. In addition to the severe impact on industry cash flow driven by low commodity prices, some customers are preserving capital rather than seeking to increase production into a declining commodity cycle. In Canada, clients that typically purchased units are renting.

Revenue from incinerators rentals during the three months ended September 30, 2016 increased 59% versus the same period of 2015. The increase is primarily due to new large projects in the U.S. region that commenced during Q3 2016. Depressed oil and gas prices continue to effect capital constraints, as result Questor is experiencing significant interest in incinerator rentals as an alternative to incinerator sales. The Company expects demand for incinerator rentals will increase through Q4 2016.

Gross profit increased 57% from the prior year. The increase in gross profit was the result of two primary factors; higher rental revenue mix and lower repair and maintenance costs incurred than the prior year.

Adjusted EBITDA increased 100% from the prior year due to higher gross profits and foreign exchange. the Canadian vs. US dollar exchange fluctuations during the third quarter of 2016 resulting in a small-unrealized foreign exchange gain versus unrealized foreign exchange losses in 2015.

### **Nine months ended Q3 2016 versus Q3 2015**

Revenue for this period was 20% lower than the prior year. Incinerator sales again were most significantly impacted, decreasing 32% from the prior year.

Revenue from incinerators rentals during the nine months ended September 30, 2016 increased 4% versus the same period of 2015. The increase was primarily due to two longer-term projects in the U.S., which commenced during Q3 2016. Depressed oil and gas prices continue to effect capital constraints, as result Questor is experiencing significant interest in incinerator rentals as an alternative to incinerator sales. The Company expects demand for incinerator rentals will continue to increase through the four quarter of 2016. Questor has invested over \$1,000,000 during the period expanding the US Incinerator rental fleet.

Gross profit decreased 33% from the prior year. The decrease in gross profit was the result of three factors; lower revenue, incremental operational costs at the waste heat to power fabrication division, new equipment mobilization costs, and incremental repairs and maintenance costs on the incinerator rental units.

Operations expenses increased as Questor incurred incremental expenses in the incinerator rental division and at the Florida waste heat to power fabrication facility. Questor's heat to power technology continues to move forward. The waste heat to power sector is emerging as an area with enormous potential and reach. While it is premature to discuss specific opportunities we have recognized serious interest in our product in a variety of industries, including oil and gas. The addition of this technology to Questor will help us further diversify across a number of markets.

The Company recorded a loss of \$689,131 (\$0.03 loss per share), down from a profit of \$487,647 (\$0.02 per profit share) in the prior year. The decrease in profit was a cumulative effect of the factors discussed above.

---

## Outlook

The prolonged downturn in oil and gas prices continues to decrease the activity levels and capital spending in the oil and gas industry in 2016 and the Company remains focused managing through the current industry downturn. We believe the Canadian governments target to reduce methane emissions by 45% by 2025 will create an opportunity for the Company. Questor believes that the clean technology industry will become an integral component of resource development and the Company is well positioned given its focus on top-tier service, quality, logistics management and technology.

The recent global focus on emissions and the commitments in Paris at COP21 to reduce greenhouse gas emissions (GHG) over concern with climate change is also anticipated to have an impact on our clients. The governments of Canada and the United States recently issued a joint statement committing to reduce methane emissions from the oil and gas sector by 40-45 percent below 2012 levels by 2025. To implement this commitment, the Canadian federal government will introduce regulations to reduce methane emissions from the oil and gas sector to address venting and fugitive emissions. The Canadian requirements will cover emissions from the same sources subject to current and proposed U.S. regulatory requirements and will require reductions from some unique Canadian sources such as heavy oil. Implementation of a carbon tax is being contemplated both federally and provincially.

It is recognized that the US election may have caused some concerns as to the extent of ongoing and future demand for Questor's emission reduction equipment. Questor believes regardless of the US policy or commitment on greenhouse gas emissions reduction, our technology will continue to be in demand. Our incinerator technology performs at the highest level and is consistent with global emissions reduction initiatives, such as COP 21. Colorado seeks our equipment in order to develop industrially in close proximity to landowners while earning their approval. The strong and increasing demand in Colorado demand is firmly based on addressing social issues.

"In this challenging economic environment, our clients in Canada will be looking for technology solutions that are reliable, reduce operating costs, are cost effective, have a track record, and are proven. Cleanly combusting methane using Questor's technology solutions will reduce GHG emissions nine fold at a cost of less than \$3/t or \$0.02/mcf because the Global Warming Potential (GWP) of methane is 25 times that of CO<sub>2</sub> over a hundred year period. Therefore venting or inefficient combustion of methane increases the greenhouse gases emitted," said Ms. Audrey Mascarenhas, Questor's President and CEO.

The State of Colorado has taken a lead role in regulating quality, high-performance emission control equipment and industry in this area is now including Questor's style of combustion devices in their planning for wellbore flow back periods and their production life. For the past thirty months, Questor has been providing rental incineration to this market on a rental basis for a variety of clients. Questor has worked diligently at providing top level service and a high-quality product that industry has noticed and enquiries have increased substantially. Questor's commitment to opening an office in Brighton, Colorado as well as hiring a local technician have been positive steps and contributing factors to our recent successes and future growth. "The company is well positioned to create additional operating hubs with rental equipment in other locations as the opportunities arise" Questor is experiencing significant interest in incinerator rentals as an alternative to incinerator sales. This confirms to Management that it is vital to continue to market and grow the rental fleet as it is emerging as a more capital efficient option than purchasing. The Company expects demand for incinerator rentals will remain strong, and further increase into 2017. In addition, Questor anticipates incinerator sales in the US will increase to address combustion requirements at production facilities, after the rental flow back period. Strengthened regulations in the U.S. have caused an increased demand for Questor's technology. The United States Environmental Protection Agency (EPA) issued regulations to reduce harmful air pollution arising out of crude oil and natural gas industry activities with a particular focus on the efficient destruction of volatile organic compounds (VOC's) and hazardous air pollutants (HAP's) and has recently introduced methane emission reduction legislation. "Questor's has a unique ability to address air quality issues associated with tank and gas dehydration emissions in a cost effective way meeting the new standards. 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," said Mrs. Audrey Mascarenhas. Questor will continue to monitor the regions where regulations are enforced or becoming enforceable and ensure that our sales efforts match appropriately.

---

While continuing to meet demand in Canada, the Company expects to continue to expand its presence in the United States. With stringent regulations imposed by the US Environmental Protection Agency (EPA) that requires performance testing for incinerators and other stacks that burn waste gas it is expected that the demand for better equipment will increase. Each State may have additional requirements that reflect some of the unique and specific needs that extend beyond the EPA's requirements.

With clear requirements and expectations from both the Federal and State agencies industry can now select equipment that serves their specific needs, including regulatory compliance, social acceptance operating performance, reliability and technical support. Questor will continue to commit capital to grow its revenue in states where producers are looking for different technologies to manage their waste gases.

The Alberta government has released the new Climate Change Policy. The policy opens opportunities for Questor to provide high efficiency combustion and heat to power technologies solutions. The opportunities range from methane emissions reductions to replacing coal powered electricity with electrical power generated from waste heat. Questor's solutions are ideal for this policy's targets, as they enable customers to reduce costs, comply with regulations and improve the profitability of their operations. Further policy changes require small emitters under 100,000 tonnes per year of CO<sub>2</sub>e to aggregate their facilities. The aggregation may result in the same level of compliance required by large emitter (>100,000 tonnes per year of CO<sub>2</sub>). Questor has developed solutions that have meaningful impact on emissions reductions for smaller facilities.

Questor's wholly owned subsidiary Clear Power Systems Inc. (CPS) has been aggressively marketing the waste heat to power technology. Questor has previously provided guidance that the waste heat to power first sales were anticipated to already have occurred. The projects are still active but the clients have not finalized decisions at this time. There is considerable global market interest in the ClearPower solution. We continue to make significant progress and gain confidence in our technology. CPS is pleased to announce the appointment of two new distributors; Inner Point Energy of Kirkwood (InnerPoint) and IHR Energy ApS of Norway (IHR). InnerPoint is a company that focuses on renewable waste to energy, gasifiers to produce syngas, and behind the fence power. CPS continues to pursue opportunities in the US and is also seeking other key marketing collaborations. Questor remains confident the technology will become a profitable division that offers an essential economic waste heat recovery to power solution. Questor continues to be identified as an innovator.

Alberta Innovates has recently approved two demonstration projects: water vaporization and glycol dehydration emissions. The equipment for the water vaporization project is currently being assembled in our Grande Prairie facility and we look to demonstrate this project in Q4 of this year. The glycol dehydration emissions project has been approved for \$475,000 and will demonstrate Questor's incineration technology as both a best in class control device for emissions as well as a replacement technology for condensing, liquid storage, trucking and deep-well disposal activities. There are approximately 4,000 operating glycol dehydrators in Alberta which could utilize this solution to eliminate benzene emissions, reduce operating costs and generate greenhouse gas emission reductions at a cost of less than \$1.40/t. The greenhouse gas emission reduction potential of this solution for Alberta is approximately 36Mt, contributing significantly to the targets set by the provincial and federal governments.

---

The Company remains committed to strategic and measurable technology diversification. Waste heat to power, water vaporization, and glycol dehydration emissions are all synergistic diversification of clean technology products and services that will support resource development over the long term. Recently, at the request and invitation of the Environment Agency in the United Kingdom Questor presented its suite of technologies to industry and government. Questor continues to explore areas where industry and government are seeking changes to traditional practices as a means to grow its reputation and business profile. We participated in the following this year;

- Questor was featured in Alberta Oil Magazine in an article titled "How a New Canadian-U.S. Agreement on Curbing Methane Opens the Market for Companies Like Questor Technology" in the May 30, 2016 issue. Link <http://www.albertaoilmagazine.com/?p=41732&print=1>.
- SDTC Leadership Summit Panel - The Canadian Clean Tech Advantage in Ottawa on April 20th, 2016.
- Ontario Greenhouse Gas Innovation Initiative Business Roundtable in Toronto on May 9th, 2016.
- Panel member at the Global Petroleum Show "Low Carbon Innovation Forum - Methane Abatement Technologies" on June 8th, 2016.
- Panel member ISA "New Carbon Initiatives, Tax and the Implications" in Calgary on June 20th, 2016
- SME Cross-Sectorial Roundtable, Calgary Trade Commission on July 20th, 2016
- U of C Roundtable: Grow Companies & Accelerate Clean Growth on Aug 15th, 2016
- Calgary Chamber of Commerce "Energy, Innovation & the Economy for Tomorrow" Panel on Aug 30th, 2016
- Clean 50 Summit in Toronto on Sep 22nd, 2016
- Discussion with David Herle "The Politics of Climate Change" on Sep 22nd, 2016
- Panel: EFL Under Western Skies Conference, U of Mount Royal, Calgary, Sep 29th, 2016

Although Questor's long-term strategy has not changed, in the short-to-medium term the Company remains focused on one thing: managing through the industry downturn. Since Questor's inception, the Company has experienced several business cycles and management understands how to adapt its focus through a downturn. Key focal points include managing the Company's cost structure, employing further process efficiencies, retaining key personnel, maintaining strong relationships with its existing customers as well as expanding its customer base, all while ensuring the Company has sufficient liquidity to navigate the cyclical downturn. The Company's United States operations continue to generate strong cash contributions and provide an avenue for growth. Questor believes that the clean technology industry will remain an integral component of resource development over the long term and that the Company will be well-positioned given its focus on top-tier service, quality, logistics management and technology. These qualities are particularly important during downturns.

Questor's unaudited condensed consolidated financial statements and notes thereto and management's discussion and analysis for the three months and six months ended June 30, 2016 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 a public, international environmental Cleantech company founded in late 1994 and headquartered in Calgary, Alberta, with field offices located in; Grande Prairie, Alberta; Brighton, Colorado; and Brooksville, Florida. The company is active in Canada, the United States, Europe and Asia and is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions.

Questor designs, manufactures and services high efficiency waste gas combustion systems; as well as, power generation systems and water treatment solutions utilizing waste heat. Our proprietary incinerator technology is utilized worldwide in the effective management of Methane, Hydrogen Sulphide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX gases ensuring sustainable development, community acceptance and regulatory compliance. Questor and its subsidiary, ClearPower Systems are providing solutions for landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects in Canada, throughout the United States, the Caribbean, Western Europe, Russia, Thailand, Indonesia and China. With a focus on solid engineering design, our products enable our clients to operate cost effectively in an environmentally responsible and sustainable manner.

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

For further information contact:

Audrey Mascarenhas

President and Chief Executive Officer

Phone: (403) 571-1530

Facsimile: (403) 571-1539

Email: amascarenhas@questortech.com

Dan Zivkusic

Chief Financial Officer

Phone: (403) 539-4371

Facsimile: (403) 571-1539

Email: dzivkusic@questortech.com

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

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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



Questor Technology Inc. was recognized as a TSX Venture 50® company in 2013 and 2014. TSX Venture 50 is a trademark of TSX Inc. and is used under license.

