



**NEWS RELEASE**  
**QUESTOR TECHNOLOGY INC.**  
**ANNOUNCES YEAR END 2016 AND FOURTH QUARTER RESULTS**

**Calgary, Alberta (March 29, 2017)** – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the year ended December 31, 2016.

The Company’s revenue for year-end December 31<sup>st</sup>, 2016 was \$7,078,333, down by 13 percent from \$8,112,913 for the prior year. Revenues from the sale of incinerators decreased 18 percent from the prior year impacted by our clients reduced activity and capital constraints, as a result of depressed oil and gas prices through 2016. The decline in sales revenue was offset by a 5% growth in revenue from rentals over the previous year. Total comprehensive loss for year-end December 31<sup>st</sup>, 2016 was (\$384,750), compared to total comprehensive loss of (\$23,666) in the prior year. The total comprehensive loss was impacted by the \$1,034,580 decrease in revenue. Loss per share for 2016 increased to (\$0.02) from (\$0.00) when compared to the prior year.

**FINANCIAL HIGHLIGHTS SUMMARY**

*(Stated in Canadian dollars except shares outstanding)*

For the years ended December 31	2016	2015	Increase (decrease)
Revenue	<b>7,078,333</b>	8,112,913	(1,034,580)
Gross profit <sup>(1)</sup>	<b>2,680,775</b>	3,352,444	(671,669)
<b>ADJUSTED EBITDA<sup>(1)</sup></b>	<b>403,973</b>	877,893	(473,920)
Total comprehensive loss	<b>(384,750)</b>	(23,666)	(361,084)
Cost of sales as a percent of revenue <sup>(1)</sup>	<b>62.0%</b>	59.0%	3%
Funds flow from operations before movements in non-cash working capital	<b>279,689</b>	800,318	(520,629)
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As at December 31			
Total assets	<b>16,346,546</b>	16,280,884	65,662
Non-current liabilities	-	310,857	(310,857)
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Shares outstanding <sup>(2)</sup>			
Basic	<b>26,138,665</b>	25,922,747	215,918
Diluted	<b>26,138,665</b>	25,922,747	215,918
Loss per share - Basic and Diluted	<b>(0.02)</b>	(0.00)	(0.02)

<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, 2016.*

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

For the three months ended December 31	2016	2015	Increase (decrease)
Revenue	<b>2,482,679</b>	2,327,658	155,021
Gross profit <sup>(1)</sup>	<b>1,104,536</b>	999,300	105,236
<b>ADJUSTED EBITDA<sup>(1)</sup></b>	<b>580,145</b>	(482,532)	1,062,677
Total comprehensive income (loss)	<b>244,364</b>	(505,795)	750,159
Cost of sales as a percent of revenue <sup>(1)</sup>	<b>56.0%</b>	57.0%	(1%)
Funds flow from operations before movements in non-cash working capital	<b>586,533</b>	(672,538)	1,259,071

<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, 2016.*

Revenue for this quarter was \$2,482,679, an increase of 7% from the corresponding quarter in 2015. Gross profit increased to \$1,104,536, 11% higher than the prior year fourth quarter, as a result of increased incinerator sales.

The improvement to adjusted EBITDA of \$1,062,677 and total comprehensive income of \$750,159 was primarily the result of nil (\$0) bad debts recorded in this fourth quarter versus the \$706,929 of bad debts recorded in the fourth quarter of 2015.

The prolonged downturn in oil and gas prices continues to impact the activity levels and capital spending in the oil and gas industry. There are early indications that oil and gas sector spending will increase in 2017, however, as activity is connected to commodity prices, trends cannot be predicted with confidence. Our clients' capital constraints have caused us to focus on our rental business. To that end we have increased investment in our rental fleet and in 2016 moved a significant portion of the Canadian fleet to Colorado, a State with stringent air quality legislation. The transportation costs to move our fleet to the US in the second quarter of 2016 had an impact on our profits but enabled us to grow our rental revenue in the latter part of the year.

"While continuing to meet demand in Canada, the Company expects to continue to expand its presence in the United States. Colorado has been a demonstrated leader in effecting a reduction in harmful emissions during the same period where industry has increased drilling activity," said Ms. Audrey Mascarenhas, Questor's President and CEO. "The state legislator has mandated the use of enclosed combustion which has resulted in producers more readily gaining approval for projects from state and local authorities as well as earning support from neighboring residents," she added. "Questor has worked diligently at providing top level service and a high-quality product that industry is increasingly requesting. Questor's commitment to opening an office in Brighton, Colorado as well as hiring local technicians have been positive steps and contributing factors to our recent successes and future growth."

Also critical to the success to-date is the introduction and implementation of Questor's "hybrid" incineration technology which industry has embraced in 2016. Initial flow backs operations take place through a standard height incinerator. The top portion is removed after the flow back period and the same incinerator, with reduced capacity due to the reduced height, remains to serve the needs of the production facility. This consolidates emissions flow through one stack and reduces equipment handling and costs. This solution is preferred over historical methods due to its increased financial efficiency for clients as they only purchase the incinerator capacity that they require and rent the top portion during the temporary well testing operation. This approach balances revenue between sales and rentals for Questor while providing an innovative and efficient operation for our clients reducing their well pad site costs. Questor is proud to be recognized and selected for its solutions and will continue its pursuit of earning the confidence and business of existing clients as well as new customers. The Company looks to expand its presence in Colorado with the addition of a number of flow back incinerators and technicians.

Texas has also emerged as an area of significant growth with estimates of it being as much as ten times the activity in Colorado. This has resulted in a targeted effort to recruit Sales representatives in key regions such as these aimed at expanding our services and equipment solutions. Questor will use the Colorado model to quickly set up

its “hub” in the Texas Permian and the Marcellus/Utica play. This would entail a hydraulic trailer and 4 large flow back units based out of a centrally located shop and yard space with strong technical support.

“With clear requirements and expectations from both the Federal and State agencies the US industry can now select equipment that serves their specific needs, including regulatory compliance, social acceptance, operating performance, reliability and technical support,” said Ms. Audrey Mascarenhas, Questor’s President and CEO. “Questor will continue to commit capital to grow its revenue in states where producers are looking for different technologies to manage their waste gases and fugitive emissions,” she added.

Questor’s wholly owned subsidiary Clear Power Systems Inc. (CPS) has been aggressively marketing its waste heat to power technology. Questor has previously provided guidance that the waste heat to power first-sales were anticipated to already have occurred due to the considerable global market interest. CPS continues to pursue opportunities in North America including other key marketing collaborations. Questor remains confident the technology will become a profitable and growing division that offers an essential economic waste heat recovery to power solution.

In addition to the SDTC approved waste heat to power project that is aimed at commercializing the 77 kW system Alberta Innovates has approved two demonstration projects: “Water “Vapourization” and “Optimized Process for Mitigation of Glycol Dehydration Emissions”. The equipment for the water vapourization project was assembled and initially tested in our Grande Prairie facility during 2016. The Company is looking forward to the next level of testing which is expected to occur in the first half of 2017.

The glycol dehydration emissions project has been approved for \$465,000 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. This project kicks off in early Q2 2017. There are up to 4,900 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/tonne of carbon equivalent (CO<sub>2</sub>e). The greenhouse gas emission reduction potential of this solution for Alberta is up to 36 Megatonnes, contributing significantly to the targets set by the provincial and federal governments.

The Company remains committed to strategic and measurable technology diversification. 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. The pursuit of shale reserves in the UK may create an opportunity for the company to invest in a “hub” to service the UK market. 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.

The significant low global oil prices over the past two years has caused our customers to look for opportunities to reduce costs, defer capital spending and refocus on areas that are more profitable. The solutions that Questor is providing enable our customers to reduce costs, comply with regulations and improve the profitability of their operations. In the current economic environment, the option to rent our equipment is attractive to both our clients and Questor. The Company has considerable financial flexibility and remains well positioned to react to the opportunities in the market place.

Questor’s audited consolidated financial statements and notes thereto and Management’s Discussion and Analysis for the three months ended December 31, 2016 and Year end 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'.

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