



QUESTOR ANNOUNCES THIRD QUARTER 2021 RESULTS

Calgary, Alberta (November 15, 2021) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the third quarter 2021.

THIRD QUARTER 2021 FINANCIAL RESULTS

(Unaudited, stated in Canadian dollars except per share and unit data)

For the	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
Revenue	1,644,314	1,066,851	4,376,745	6,587,045
Gross Profit (Loss)	38,298	(442,261)	(52,954)	1,507,868
Loss for the period	(453,744)	(961,869)	(2,212,845)	(943,927)
Gross profit (loss) as a percentage of revenue	2%	(41%)	(1%)	23%
Loss per share				
Basic	\$(0.02)	\$(0.04)	\$(0.08)	\$(0.03)
Diluted	\$(0.02)	\$(0.04)	\$(0.08)	\$(0.03)
As at		September 30,		December 31,
		2021		2020
		(\$)		(\$)
Working capital		17,781,247		19,300,453
Total assets		35,360,706		38,014,911
Total equity		32,081,341		33,989,100
Number of shares issued and outstanding		27,460,120		27,410,120

Questor’s Unaudited Condensed Consolidated Financial Statements and Management’s Discussion and Analysis for the three and nine months ended September 30, 2021 are available on the Company’s website at www.questortech.com and through SEDAR at www.sedar.com.

PRESIDENT’S MESSAGE

More than 100 countries at the United Nations Conference of the Parties (“COP”) 26 climate conference, including the United States, Canada and those in the European Union, have signed up to a new commitment to cut methane emissions, by 30 percent by 2030 from 2020 levels. These countries that signed the Global Methane Pledge represent 70% of the global economy and nearly half of the anthropogenic methane emissions. “Cutting methane is the strongest lever we have to slow climate change over the next 25 years and complements necessary efforts to reduce carbon dioxide,” said Inger Anderson, executive director of the United Nations Environment Programme (“UNEP”). A UN scientific report released in August said “strong, rapid and sustained reductions” in methane emissions, in addition to slashing carbon dioxide (“CO2”) emissions, could have a fast impact on the climate. There has been a growing focus on methane as a way of buying extra time to tackle climate change. All of this focus has resulted in increased interest in our technology solutions. We are recognized globally for our efficiency and the ability to handle methane emissions. The ISO 14034 certification of our 99.99 percent combustion efficiency means that our clients can feel comfortable that we can not only eliminate methane but also other hazardous air pollutants. New regulations in many countries throughout the

world are being enacted to not only to address climate change but focus on improving air quality, especially with the impact on marginalized communities who typically live near industrial facilities.

As a demonstration of increased interest, during the quarter Questor received two significant orders for tall stack incinerators from companies operating in the Montney area of NE British Columbia for \$3.9 million. We expect to see continued significant investment in this area as producers build productive capacity in advance of the anticipated start-up of LNG Canada in 2025. In addition to seeing a growing order book within the oil and gas space in North America, during the quarter, Questor continued to make inroads within markets outside of North America and the energy space. Subsequent to the quarter, the Company has entered into an agreement with OILSERV Oilfield Services (BVI) Ltd. to actively collaborate and conduct a joint market survey of the potential for selling the Company's products in specified territories in the Middle East. The Company will work together with OILSERV to establish mutually beneficial sales targets and agree on commercial terms.

We continue to see growing interest for our technologies from companies across multiple industries who are looking to reduce harmful emissions.

We are pleased with the continuing improvement in activity levels and the strengthening of our order book but note that the majority of the impact from the improving market will occur for Questor in 2022.

During the quarter, Questor continued to work with Government and Industry partners to improve upon existing regulations, and to develop new technologies to strengthen and diversify our products and services to support our customers' sustainability goals:

- Questor signed an agreement with Sustainable Development Technology Canada ("SDTC") under which SDTC will provide significant funding for a project to expand our service line of high efficiency Waste Heat to Power generation systems;
- Questor, in partnership with SAIT, continued to progress a project to develop a comprehensive system for the detection, quantification and capture of onsite methane emissions from energy production sites; and,
- Questor, in collaboration with North-East Gas Association, NYSEARCH and Stanford University continued to progress a project to develop a methane oxidation catalyst system designed to eliminate methane slip from waste gas streams.

We are pleased with the recent increased focus on methane as this is one of the critical areas of emission reductions if we are going to be successful in meaningfully reducing greenhouse gas ("GHG") emissions worldwide. The global focus on methane as the "low hanging fruit" to reduce global warming is generating considerable interest in our technology. Many jurisdictions and companies are starting to focus on methane reduction opportunities to meet their emission reduction goals and net zero commitments. We are being recognized globally as an inexpensive, reliable way to eliminate methane emissions and reduce the carbon footprint of oil and gas activity. The evolving voluntary carbon market creates a strong sustainable business case to reduce methane emissions and generate power from the heat to yield a healthy return on capital invested.

- In October, the Canadian Government announced Canada's support for the Global Methane Pledge, followed by a pledge made at the COP26 Climate Summit to cap and then reduce total emissions from the oil and gas sector in Canada beginning in 2025;
- The US Environmental Protection Agency ("EPA") recently released new rules specific to methane reduction. These rules require US based companies to focus on methane reduction opportunities to meet GHG emission reduction goals.

Questor provides a series of inexpensive, proven and reliable solutions to assist the energy and other industries in meeting emission reduction goals. With the continued development of our Waste Heat to Power offering we

position our customers to earn a return on these emission reduction investments in addition to meeting regulatory requirements.

Questor continues to maintain a strong financial position with \$15.3 million in cash and \$17.8 million working capital at September 30, 2021. This strong financial position has set the foundation for investment in growth as we continue to see the market recover and move forward.

THIRD QUARTER 2021 OVERVIEW

Financial Performance

The Company's financial performance continues to be impacted by the effects of COVID-19 on the global economy. For the three months ended September 30, 2021:

- Revenue increased 54% to \$1.6 million for the three months ended September 30, 2021 compared to \$1.1 million for the same period in 2020. The improvement was driven by a 2% increase in rental utilization compared to the prior year and \$0.5 million higher equipment sales revenue.
- The Company received purchase orders from two customers operating in the Montney region of Canada for tall stack incinerators totalling \$3.9 million to be delivered in the first half of 2022. Both of these units are specifically designed to assist our clients to safely handle hydrogen sulphide gas and also meet the stringent rules for emissions in northeast British Columbia.
- Gross profit was nil for the three months ended September 30, 2021 compared to a gross loss of \$0.4 million for the same period in 2020 or an increase of \$0.4 million. The improvement relates to the Company's focus on streamlining operations and reducing costs over the past year.
- Loss of \$0.5 million for the three months ended September 30, 2021 is an improvement of \$0.5 million compared to a \$1.0 million loss for the same period in 2020. The Company continues to focus on managing costs and also benefited during the quarter by a \$0.3 million tax refund related to the carry back of tax losses.
- The Company maintained a strong financial position at September 30, 2021 including cash reserves of \$15.3 million and an undrawn \$1.0 million revolving demand loan facility and \$5.0 million capital loan facility.
- The Company is continuing to defer rental fleet capital expansion plans until there is a sustained increase in demand for its products and services.

Research and Development Projects

Research and development projects are important to the Company's overall strategy to diversify its products and services and provide clean, cost-effective solutions to reduce GHG and support its customers' sustainability goals to achieve net zero emissions. During the quarter:

- The Company signed an agreement with SDTC to receive up to \$4.5 million of funding to expedite the development of the Company's CPS 50-1500 kW modular, reliable, high efficiency Waste Heat to Power generation systems ("ORCs"). Funding will be received throughout the project as specific conditions and milestones set out in the agreement are met by the Company. As at September 30, 2021, the technical design of the 1500kW turboexpander was complete and the Company began designing the 1500kW ORC generator module and procuring material to build the 1500kW prototype. The Company is also starting the design work relating to the 50-100kW ORC.

- The Company continued to progress its development project with respect to quantifying emissions reductions. This project is a partnership with the SAIT to develop a comprehensive systems-based approach to the detection, quantification and removal of onsite methane emissions from oil and gas production, processing, storage and transport operations (“The Project”). The Project costs are largely being funded by Alberta Innovates and Western Economic Development. The Project is expected to be complete in the first quarter of 2022.
- The Company continues its collaboration with NYSEARCH and Stanford University to develop alternative approaches to cleanly combust waste gas. The Company’s contribution to the project is funded by NYSEARCH. This project is developing a methane oxidation catalyst system designed to eliminate methane slip from waste gas streams. The device would be the first of its kind and has the potential to be applied across many industries.

MARKET OUTLOOK

The effects from COVID-19 continue to impact the global economy and the Company’s operations and financial performance. It is difficult to predict how long these market conditions will continue to negatively impact the business but the global focus on methane emissions reductions is increasing as noted in the recent discussions at the COP26 climate summit in Glasgow, Scotland and the recently issued rules on methane reduction by the US EPA. The Company is well positioned to meet any increases in demand with its proven cost-effective technology solutions.

The Company has seen some small signs of recovery during the quarter including the re-commencement of work previously put on hold by a customer, a small increase in rental utilization and the sale of two tall stack incinerators to be delivered in 2022. The Company is optimistic that as methane emission intensive industries continue to recover from the pandemic, these Companies will refocus their efforts on the achievement of their emissions reduction commitments which is expected to result in increased demand for the Company’s clean technology.

In addition, the Company continues to progress its strategic initiatives by adding strength to the sales and engineering teams and furthering its research and development activities in respect of product development and commercialization. These efforts will allow the Company to diversify into new markets, expand its waste heat to power offering and build digital capability focused on an emissions platform that will enable credible quantification of emission reductions for its customers.

Canada

The Company sees signs of increasing demand for its products in this market, and as noted above, sold two incinerators this past quarter for a total of \$3.9 million to be delivered in 2022. Both of these units will be specifically designed to safely handle hydrogen sulphide gas and meet stringent rules for emissions in northeast British Columbia.

In October, the Canadian government announced Canada’s support for the Global Methane Pledge which aims to reduce global methane emissions by 30 percent below 2020 levels by 2030s. In addition, at the COP26 climate summit, the Canadian government announced a cap on Canada’s oil and gas emissions is to be introduced by 2025. The Company continues to work with potential clients in Canada to offer products and services that will assist them in meeting their emissions reduction targets.

United States

The US market has proven difficult over the past year due to the Company's previous customer concentration in the oil and gas market. However, as the energy industry and drilling activity continues to recover, the Company expects to see a rebound in demand for its services.

In addition, the US EPA recently released new rules specific to methane reduction. These rules require US based companies to focus on methane reduction opportunities to meet emission reduction goals. Questor provides an inexpensive, proven and reliable way to reduce carbon footprint and has positioned both its operations and sales and marketing teams in the US to be ready to capitalize on this expected growth in demand as these new rules are enforced.

Other Markets

There continues to be increased focus and recognition on a global level, that reducing methane is a key part of achieving emissions reductions targets. The Company has been in recent discussions exploring opportunities and demand for its products in other countries such as Australia, the Middle East and Mexico.

The Company has continued its efforts to progress the final commissioning of three waste heat to power facilities in Mexico during the quarter. However, COVID-19 continues to impact the global supply chain and has resulted in further delays in getting the required equipment and personnel on site to complete the work. The Company is working with the client on a revised project plan to restart commissioning in the fourth quarter of 2021. The Company continues to be optimistic for further business in this area given the country's aggressive objectives to address energy emissions.

Subsequent to the quarter, the Company has entered into an agreement with OiLSERV Oilfield Services (BVI) Ltd. to actively collaborate and conduct a joint market survey of the potential for selling the Company's products to energy companies in specified territories in the Middle East. The Company will work together with OiLSERV to establish mutually beneficial sales targets and agree on commercial terms.

ABOUT QUESTOR TECHNOLOGY INC.

Questor Technology Inc., incorporated in Canada under the Business Companies Act (Alberta) is an environmental emissions reduction technology company founded in 1994, with operations across North America. The Company is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions. The Company designs, manufactures and services high efficiency waste gas clean combustion systems that destroy harmful pollutants, including Methane, Hydrogen Sulfide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (Benzene, Toluene, Ethylbenzene and Xylene) gases within waste gas streams at 99.99 percent efficiency. This enables its clients to meet emission regulations, reduce greenhouse gas emissions, address community concerns and improve safety at industrial sites. The Company also has proprietary heat to power generation technology and is currently targeting new markets including landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects. The Company is also doing research and development on data solutions to deliver an integrated system that amalgamates all of the emission detection data available and demonstrates how Questor's clean combustion and power generation technologies can be used to help clients achieve zero emission targets.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "QST". The address of the Company's corporate and registered office is 2240, 140 –4 Avenue S.W. Calgary, Alberta, Canada, T2P 3N3.

QUESTOR TRADES ON THE TSX VENTURE EXCHANGE UNDER THE SYMBOL 'QST'.

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