



NEWS RELEASE
QUESTOR TECHNOLOGY INC.
ANNOUNCES FIRST QUARTER 2014 FINANCIAL RESULTS

Calgary, Alberta (May 30, 2014) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the first quarter of 2014. Revenue this quarter was \$3.2 million, 87 per cent higher than the first quarter of 2013, mainly due to higher sales activity in Canada. The Company reported a 92 per cent improvement in profit at \$801,750⁽²⁾ (\$0.032 per basic share) for the three months ended March 31, 2014 compared to a profit of \$417,084 (\$0.017 per basic share) for the same three-month period of the prior year.

The increase in profit was due primarily to higher revenues arising out of the increased volume of incinerators sold. Also contributing to the increase were higher revenues from Incinerator and combustion services while lower Incinerator rental income, higher average cost of sales and administrative expense and higher income tax expense partially offset the impact on earnings of the increased sales revenues. Higher net foreign exchange gains recorded in the first quarter of 2014 compared to the same period of 2013 also contributed to the the Company’s overall improved performance.

FINANCIAL HIGHLIGHTS SUMMARY

(Stated in Canadian dollars except shares outstanding)

For the three months ended March 31	2014	2013	Increase (decrease)
Revenue	3,214,437	1,719,577	1,495,860
Gross profit ⁽¹⁾	1,442,541	890,441	552,100
EBITDA ⁽¹⁾	1,154,868	656,220	468,648
Profit for the period ⁽¹⁾⁽²⁾	801,750	417,084	384,666
Cost of sales as a percent of revenue ⁽¹⁾	55.1%	48.2%	6.9%
Funds flow from operations before movements in non-cash working capital ⁽¹⁾	1,255,065	662,405	592,660
Earnings per share - Basic	0.032	0.017	0.015
- Diluted	0.031	0.017	0.014

As at	March 31, 2014	December 31, 2013	Increase (decrease)
Total assets	14,794,863	14,029,829	765,034
Non-current liabilities	152,906	175,130	(22,224)
Shares outstanding ⁽³⁾			
Basic	25,282,370	25,102,265	180,105
Diluted	26,117,133	25,939,888	177,245

⁽¹⁾ *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, 2013.*

⁽²⁾ *Before Other comprehensive income (loss)*

⁽³⁾ *Weighted average.*

The Company has received confirmed incinerator sales orders for \$3.8 million since the start of the year. The units are expected to be delivered in the second and third quarter of 2014 and the associated revenue recorded at that time. Management is in discussions with several companies in Canada and the U.S. with respect to terms and conditions on additional incinerator orders, the revenue for which will be recorded at the time the units are fabricated and ready for delivery in the third and fourth quarters of 2014. For certain sizes of units, the inventory that management built up over the latter half of 2013 will ensure that the Company is able to provide clients with short delivery times on their orders.

At present, Questor has approximately 90 percent of the available rental incinerator capacity committed under term contracts and is operating in the traditional Western Canada markets as well as new markets in the United States. Management expects to continue to issue orders for fabrication of additional units for completion in the third and fourth quarters to add to the rental fleet.

“The heightened environmental focus on emissions from flaring, 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. It has become essential for our clients to address these issues to obtain approval for projects and the social license to operate.” said Ms. Audrey Mascarenhas, Questor’s President and CEO. “As the U.S. adopts the new EPA rules, the demand for our products continues to develop in both the sales and rental businesses”, she continued. “We have an inventory of units available and have fabrication partners with sufficient capacity to meet new orders.” Questor’s product quality and combustion expertise are becoming more recognized on a daily basis globally. Our incineration technology is unique in its ability to allay public concerns regarding air quality and is capable of meeting emissions standards across a broad range of applications. Emissions legislation introduced in the United States and Europe is expected to continue to increase interest in our technology as companies look for solutions to flaring and emissions control.”

On January 31, 2014, Questor acquired 100% of the outstanding shares of ClearPower Systems Inc., (“ClearPower”) a company incorporated in 2010 under the laws of the state of Delaware. ClearPower has developed technology that will translate waste heat from any source into power. The integration of waste heat from Questor’s incineration process with the power generation capability of the ClearPower technology is expected to present a valued solution for many of its customers. “We are planning to commission a demonstration of this integration in the fourth quarter of 2014 at an oil and gas facility in close proximity to Calgary”, said Ms Mascarenhas. “In addition we continue to evaluate the substantial waste heat market that the ClearPower technology can be applied directly to. These two large waste heat areas present opportunities that Questor continues to prepare for and we anticipate revenue generation in 2015.”

“We are focused and committed to providing continued excellence in combustion products and services while we select our next steps in respect of introducing Clearpower as a complementary technology to the enormous waste heat markets. Our planning around fabrication has us well positioned to pursue growth opportunities in North America and Europe over the remainder of this year and into 2015”, concluded Ms. Mascarenhas.

Ms. Mascarenhas was invited to join the Alberta Small Medium Enterprise (“SME”) Export Council whose mission is to provide advice to the provincial Minister of International and Intergovernmental relations on measures to expand, encourage and facilitate access of Alberta SMEs to foreign markets. The Council met for the first time in Edmonton on April 29, 2014.

She also spoke as a member of the Society of Professional Engineers at their Environmental Impact Workshop in Halifax, Nova Scotia on May 14, 2014 on the topic of Economic Implications of Compliance.

Shareholders are invited to attend the Company’s Annual General Meeting to be held on Tuesday, June 24, 2014 at 3:00 p.m. MDT in the Company’s Corporate Offices at 1121, 940 – 6th Avenue S.W, Calgary, Alberta. In addition to the formal business items, management will be presenting an overview of Questor’s results for the financial year ended December 31, 2013 and first quarter ended March 31, 2014 and discussing the Company’s strategic initiatives for 2014.

Questor’s unaudited condensed consolidated financial statements and notes thereto and management’s discussion and analysis for the three months ended March 31, 2014 will be available shortly on 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 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 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 (H₂S). The technology creates an opportunity to utilize the heat generated from efficient combustion which can be used for water vaporization, 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, this 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	March 31 2014	December 31 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,023,026	\$ 7,323,303
Trade and other receivables	3,879,578	2,863,257
Inventories	2,347,975	2,359,276
Prepaid expenses and deposits	93,048	124,163
Current tax assets	-	77,849
Total current assets	\$ 12,343,627	12,747,848
Non-current assets		
Property and equipment	1,533,329	1,256,066
Intangible assets	230,509	25,915
Goodwill	687,398	-
Total non-current assets	2,451,236	1,281,981
Total assets	\$ 14,794,863	\$ 14,029,829
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables, accrued liabilities, provisions	\$ 1,768,737	\$ 1,746,259
Deferred revenue and deposits	450,238	252,356
Current portion of lease inducement	52,002	52,002
Current tax liabilities	371,864	638,527
Total current liabilities	2,642,841	\$ 2,689,143
Non-current liabilities		
Deferred tax liabilities	44,570	53,793
Lease inducement	108,336	121,337
Total non-current liabilities	152,906	175,130
Total liabilities	2,795,747	\$ 2,864,274
Capital and reserves		
Issued capital	5,680,655	5,636,119
Reserves	692,081	703,156
Retained earnings	5,628,030	4,826,280
Cumulative translation adjustment	(1,650)	-
Total equity	11,999,116	11,165,555
Total liabilities and equity	\$ 14,794,863	\$ 14,029,829

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Stated in Canadian dollars except per share data
Unaudited

For the three months ended March 31	2014	2013
Revenue	\$ 3,215,437	\$ 1,719,577
Cost of sales	(1,772,896)	(829,136)
Gross profit	1,442,541	890,441
Administration expenses	(487,156)	(353,550)
Net foreign exchange gains (losses)	143,153	44,997
Depreciation of property and equipment	(11,965)	(10,740)
Amortization of intangible assets	(305)	(305)
Other income	2,700	4,675
Profit before tax	1,088,968	575,518
Income tax expense	(287,218)	(158,434)
Profit for the period	\$ 801,750	\$ 417,084
Other comprehensive (loss) income, net of income tax		
Exchange differences on translating foreign operations	(1,650)	-
Total comprehensive income for the period	\$ 800,100	\$ 417,084
Earnings per share, Profit for the period		
Basic	\$ 0.032	\$ 0.017
Diluted	\$ 0.031	\$ 0.017

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
Balance at January 1, 2014	\$ 5,636,119	\$ 703,156	\$ 4,826,280	\$ -	\$ 11,165,555
Profit for the period	-	-	801,750	-	801,750
Recognition of share-based payments	-	16,711	-	-	16,711
Issue of ordinary shares under employee share option plan	44,536	(27,786)	-	-	16,750
Translation of foreign operations	-	-	-	(1,650)	(1,650)
Balance at March 31, 2014	\$ 5,680,655	\$ 692,081	\$ 5,628,030	\$ (1,650)	\$ 11,999,116

	Issued Capital	Reserves	Retained Earnings	Cumulative Translation Adjustment	Total Equity
Balance at January 1, 2013	\$ 5,521,001	\$ 676,834	\$ 2,282,231	\$ -	\$ 8,480,066
Profit and total comprehensive income	-	-	417,084	-	417,084
Recognition of share-based payments	-	18,796	-	-	18,796
Issue of ordinary shares under employee share option plan	-	-	-	-	-
Balance at March 31, 2013	\$ 5,521,001	\$ 695,630	\$ 2,699,315	\$ -	\$ 8,915,946

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

QUESTOR TECHNOLOGY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Stated in Canadian dollars
Unaudited

For the three months ended March 31	2014	2013
Cash flows from operating activities		
Profit and total comprehensive income	\$ 800,100	\$ 417,084
Adjustments for:		
Income tax expense	287,218	158,434
Depreciation of property and equipment	65,596	80,397
Amortization of intangible assets	305	305
Net unrealized foreign exchange (gains) losses	85,136	(12,611)
Expense recognized in respect of equity-settled share-based payments	16,711	18,796
	1,255,065	662,405
Movements in non-cash working capital	(891,550)	(156,651)
Cash generated from operations	363,515	505,754
Income taxes paid	(583,871)	-
Net cash (used in) generated from operating activities	(220,356)	505,754
Cash flows used in investing activities		
Payments for property and equipment	(46,776)	(90,355)
Payments for intangible assets	(50,858)	-
Acquisition of a business	(1,000,710)	-
Net cash used in investing activities	(1,098,344)	(90,355)
Cash flows from financing activities		
Proceeds from issue of ordinary shares under employee share option plan	16,750	-
Net cash generated from financing activities	16,750	-
Net (decrease) increase in cash	(1,301,950)	415,399
Cash and cash equivalents at beginning of the period	7,323,303	4,405,624
Effects of translation of foreign currency items	1,673	6,246
Cash and cash equivalents at end of the period	\$ 6,023,026	\$ 4,827,269