



NEWS RELEASE
QUESTOR TECHNOLOGY INC.
ANNOUNCES FIRST QUARTER 2016 FINANCIAL RESULTS

Calgary, Alberta (May 31, 2016) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the first quarter of 2016. Revenue this quarter was \$2.2 million, 6% lower than the prior year. The Company continues to experience some decline 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.

The Company generated a profit of \$4,159 (\$0.00 per share) in the first quarter of 2016 down from \$509,574 (\$0.02 per share) in the first quarter of the prior year. The decrease in profit was primarily due to unrealized exchange losses recorded during the quarter versus unrealized exchange gains in the first quarter of the prior year. Other factors that impacted profit was lower revenues, incremental expenses in the ClearPower division expanding fabrication facilities and sales & marketing resources required to grow Questor revenue and advance the commercialization of the waste heat to power technology. 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 remain an integral component of resource development and the Company is well-positioned given its focus on top-tier service, quality, logistics management and technology.

FINANCIAL HIGHLIGHTS SUMMARY

(Stated in Canadian dollars except shares outstanding)

For the three months ended March 31	2016	2015	Increase (decrease)
Revenue	2,223,799	2,369,086	(145,287)
Gross profit ⁽¹⁾	913,878	1,199,540	(285,662)
ADJUSTED EBITDA ⁽¹⁾	193,785	924,158	(730,373)
Profit for the period ⁽¹⁾	4,159	513,733	(509,574)
Cost of sales as a percent of revenue ⁽¹⁾	59%	49%	10%
Funds flow from operations before movements in non-cash working capital	193,231	867,099	(673,878)
Earnings per share - Basic	0.00	0.02	(0.02)
- Diluted	0.00	0.02	(0.02)

As at	March 31, 2016	December 31, 2015	Increase (decrease)
Total assets	15,773,278	16,280,884	(507,606)
Non-current liabilities	328,983	310,857	18,126
Shares outstanding ⁽²⁾			
Basic	25,964,870	25,922,747	42,123
Diluted	26,464,401	25,922,747	541,654

⁽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, 2015.*

⁽²⁾ *Weighted average.*

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. Although there has been a recent strengthening in oil prices it is too early to determine the impact for the remainder of 2016. 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 also require reductions from some unique Canadian sources such as heavy oil.

“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 cost effectively as the the Global Warming Potential (GWP) of methane is 25 times that of CO₂. Therefore venting or inefficient combustion increases the greenhouse gases emitted,” said Ms. Audrey Mascarenhas, Questor’s President and CEO. “In response to regulations and demand for our equipment in Colorado, we deployed our mobile rental units to the State and set up an operations facility to meet demand for regulated closed loop completions,” she added. “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. Despite lower rental activity in Q1 2016 due to transition between projects, the Company expects demand for incinerator rentals will remain strong, increasing through 2016. 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). “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 closely monitor where regulations are enforced or becoming enforceable and ensure that our sales efforts are matched appropriately.

While continuing to meet demand in Canada, the Company expects to continue to expand its presence in the United States. Questor has added sales and marketing resources as well as service technicians for select areas where they will focus on increasing incinerator sales, rentals, and servicing in the United States. Questor is still focusing on growing its revenue in Colorado and certain other states where producers are looking for different technologies to manage their waste gases. Energy efficiency is important in North Dakota and Questor’s heat to power option, in addition to its incineration, will be marketed aggressively.

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 CO₂e to aggregate their facilities. The aggregation may result in the same level of compliance required by large emitter (>100,000 tonnes per year of CO₂). Questor has developed solutions that have meaningful impact on emissions reductions for smaller facilities.

Questor has acquired and further developed technology that transforms waste heat from any source into power. Questor has been aggressively marketing this technology and based on the early interest, the first sale is anticipated to occur within 2016. The Company views Alberta as an even more probable region for

installing our waste heat to power solutions, given the recent Climate Policy that will create appropriate incentives. There are a good number of additional opportunities Questor is pursuing in the US and it is also seeking key collaborations to ensure that the power output offering is appropriately expanded to include practical packaging solutions for larger waste heat opportunities. The Company has undertaken cost rationalization measures so that the solutions are competitive and profitable. We have had considerable success in the overall fabrication as well as balance of plant expenses. This is due in large part to the wealth of experience that we have within the technology, the Company's commitment to delivering excellence and the funding allowance made available for this work under SDTC. The Company remains committed to technology diversification and water vaporization falls within this area. Questor looks forward to announcing a firm date for pilot demonstration in the very near future. This technology will be aggressively marketed to those regions where water handling is prohibitive for higher water cut wells. Western Canada is known to contain thousands of wells that may be the first candidate locations for this technology. Certain areas in the U.S. also experience high water handling costs and Questor will be marketing this technology in those areas.

Since Questor's inception, the Company has experienced several business cycles and management understands how to adapt its focus through a downturn. During this cycle the weakened Canadian dollar makes it a clear choice to focus on generating revenue in the US. We are poised to provide our technology in Colorado for 2016 and beyond by establishing a presence in a strategic area within the know region of activity. We will also be providing technician support from within Colorado to better service our clients and to ensure that we continue to be an excellent technical and business choice. Questor will also be generating marketing and sales from within the state of Colorado with a local representative. Questor is also planning to replicate this strategy in Texas and possibly other states and regions where this approach is deemed advantageous. 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.

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. 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 ended March 31, 2016 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 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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