



QUESTOR ANNOUNCES THIRD QUARTER RESULTS

Calgary, Alberta (November 13, 2020) – Questor Technology Inc. (“Questor” or the “Company”) (TSX-V: QST) announced today its financial and operating results for the third quarter of 2020.

THIRD QUARTER 2020 RESULTS

(Stated in Canadian dollars except per share and unit data)

For the	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<i>(stated in CDN\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(unaudited)</i>				
Revenue	1,066,851	8,293,734	6,587,045	23,377,705
Gross Profit (Loss)	(442,261)	4,034,759	1,507,868	13,019,726
Profit (Loss) for the period	(961,869)	1,968,285	(943,927)	6,366,206
Per share — basic	(0.04)	0.07	(0.03)	0.23
Per share — diluted	(0.04)	0.07	(0.03)	0.23
As at	September 30, 2020		December 31, 2019	
Working capital, end of period	19,893,304		17,425,861	
Total assets, end of period	39,820,873		42,110,012	
Total equity, end of period	34,765,898		35,333,667	

⁽¹⁾ *Weighted average shares outstanding during the year.*

Questor’s Consolidated Financial Statements and Management’s Discussion and Analysis for the three and nine months ended September 30, 2020 are available on the Company’s website at www.questortech.com and through SEDAR at www.sedar.com.

PRESIDENTS MESSAGE

The worldwide pandemic and resulting negative economic impact continue to affect the Company's financial results this quarter. Our revenue for the third quarter of 2020 was \$1.1 million declining from \$8.3 million during the same period last year, for the nine months ended September 30th, 2020 our revenue was \$6.6 million declining from \$23.4 million during the same period last year. The sharp decline in North American oilfield activity in the second quarter continued into the third quarter. North American rig count and the industry activity remains at or near historic lows in all of the Company's key markets. Discussions with our customer during the quarter continued to center on reduced spending and activity during 2020.

We have continued to live within our cash flow for the nine months ended September 30th, 2020 and finished this quarter with a cash balance of \$17 million which is a \$3.5 million increase from December 31, 2019. We are strongly positioned to manage during this tough market cycle. In this period of uncertainty, we will continue to be disciplined and focus on preserving positive operating cash flow in order to maintain our strong balance sheet.

Leveraging our strong financial position, we are expanding our team to solidify our foundation, ready to serve a rapidly growing global focus on eliminating methane emissions by implementing Questors' strategic market and industry diversification initiatives. Darko Ulakovic, our previously announced new COO, brings the leadership to implement our strategic priorities. Our teams are focused on educating current and potential customers around our solutions for combating emissions. In addition, we continue to build our digital capability by developing an emissions platform that will eventually enable us to credibly quantify emission reductions for our clients and guarantee a zero emissions site, with the end goal of monetizing the emission reduction offsets. Our 2020 and 2021 strategic priorities are continuing to grow our clean combustion business to eliminate methane emissions, diversification into industries, and the expansion of our waste heat to power product offering.

The previously disclosed purchase of Heat to Power equipment in the southern United States is an example of product and market diversification. In the fourth quarter of 2020, we will be supplying our ClearPower technology to generate 200 kW of clean emission free power at our client's glass recycling plant. In the US, the conversion of waste heat to power is seen as green, clean energy with tax and pricing incentives.

We have been recently awarded a new contract to provide our combustion solutions to a renewable gas facility in British Columbia converting biomass to Renewable Natural Gas (RNG). The market opportunity in the RNG space includes industries such as agriculture, food processing, landfills, waste management, water treatment, bio-mass, and bio-digestors. In this market space both our combustion technology and our waste heat to power technology are relevant. There are opportunities dealing with the left-over waste gas stream after the RNG is extracted and alternatively cleanly combusting the syn-gas to generate clean renewable distributed power.

There is growing global recognition that eliminating methane emissions into the atmosphere is one of the most effective ways to arrest the temperature rise related to Climate Change because it is 86 times worse than CO2 from a global warming perspective. Additionally, methane emissions from industry, particularly the oil and gas industry, have been significantly underestimated. The Canadian Federal Government has recently established a \$750 million fund to support the deployment of methane abatement technologies. The Alberta Provincial government has earmarked an additional \$750MM to invest in projects to reduce greenhouse gas (GHG) emissions. Specifics on the deployment of these funds are evolving and we are taking a proactive role and are currently working on with our clients, targeting methane reduction projects to access the funding. The following speaks to the importance of dealing with the methane going into the atmosphere; in September, the French government blocked a \$7 billion contract to purchase American liquified natural gas (LNG), arguing that gas produced without controls on methane leaks was too harmful to the climate.

"We remain on track to deliver on our 2020 strategic priorities, including our long-term diversification initiatives, while we preserve our strong liquidity. We believe our technology, people, assets and operational experience will continue to strengthen Questor even through these difficult times." said Ms. Mascarenhas, Questor's President and CEO.

THIRD QUARTER 2020 OVERVIEW

- The worldwide pandemic and resulting negative economic impact continued to affect the Company's financial results this quarter.

- The Company continues to be in a strong financial position at September 30, 2020:
 - Cash increased to \$17.0 million from \$13.5 million at December 31, 2019 and \$15.2 million at June 30, 2020;
 - The Company has an undrawn \$1.0 million revolving demand loan facility and an undrawn \$5.0 million capital loan facility;
 - The Company entered into a repayable government assistance agreement with Western Economic Diversification Canada which provided \$966,187 to help fund its operating costs. Repayment commences in 2023;
 - Cash reserves provide the working capital to thrive during tough market cycles;
 - A strong balance sheet will serve as a foundation to launch into new products and markets once the economy rebounds;
 - Capital expansion plans are suspended until there is a sustained economic recovery. This strategy preserves our liquidity while improving capital efficiency; and,
 - Increased focus on operating efficiencies and enhancing cash flow by working with our service providers to further reduce costs will serve us well during this difficult time.

- Revenue decreased \$7.2 million for the three months ended September 30, 2020 versus the same period in 2019:
 - Revenue from incinerator rentals decreased from \$4.0 million in 2019 to \$0.6 million in 2020;
 - Incinerator equipment sales decreased from \$3.6 million in 2019 to \$0.3 million in 2020;
 - Incinerator service revenue decreased from \$0.7 million in 2019 to \$0.2 million in 2020;

- Gross loss of \$0.4 million in 2020 compared to a gross profit of \$4.5 million in 2019:
 - The Company continued its mitigation strategy during the third quarter 2020, revolving around
 - Managing operations infrastructure ensuring indirect operational resources are consistent with activity; and,
 - Commitment to supply chain management focused on procuring quality materials at competitive prices.

OUTLOOK

In response to the COVID-19 pandemic, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the spread of the virus, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. Those measures are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally has had, and will continue to have, a material adverse effect on our business, operations and financial results. As such, overall market conditions have been uncertain and are anticipated to remain uncertain for the foreseeable future. It is likely that companies will continue to reduce or carefully manage spending for capital projects and operations where possible until some sort of market stability has returned.

On March 27, 2020, in response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS). The CEWS enables eligible Canadian employers who have been impacted by COVID-19 to apply for a subsidy of a specified amount of eligible employee wages under this program. Questor was eligible for the subsidy in the second and third quarter of 2020. In addition, the Canadian federal government has established a \$750 million Emission Reduction Fund, with a focus on methane reduction, to create and maintain jobs through pollution reduction efforts.

In April 2020, Questor became the first ETV-certified clean combustion company in the world. ISO 14034 is an internationally recognized certificate that verifies the performance of innovative environmental technologies. The project was supported by Standards Council of Canada and the certification issued by 350Solutions. We are the only company accredited by national accreditation board of ANSI, in the United States. This certification confirms Questor's performance claims of 99.99 percent combustion efficiency and H₂S destruction efficiency. It also confirms our methodology of calculating GHG emission reductions.

Notwithstanding the 2020 financial performance, Questor maintains a strong financial position accomplished through managing costs and maintaining capital discipline while providing best in class equipment and services to our customers. Our focus has not changed and remains consistent despite this downturn. We will continue to provide exceptional service to our customers while efficiently managing our costs.

Questor believes that the clean technology industry will remain an integral component of resource development over the medium to long term. We are well positioned given our focus on top-tier service, quality and technology to meet our client's emission commitments in the future. The resilient companies that survive these challenging times will continue to focus on addressing the commitments they have made to their investors and the public, which includes reducing greenhouse gas emissions. Questor's proven, cost effective technology solutions will play an instrumental role in enabling these companies to meet their goals and targets.

ABOUT QUESTOR TECHNOLOGY INC.

Headquartered in Calgary, Alberta, with operations across North America, the Company provides specialized waste gas incineration products and services that destroy harmful pollutants in any waste gas stream at 99.99 percent efficiency enabling our clients to meet emission regulations, address community concerns and improve safety at industrial sites.

There are several methods for handling waste gases at oil and gas industrial facilities, the most common being combustion. Flaring and incineration are two methods of combustion accepted by many provincial and state regulators. Historically, the most common type of combustion has been flaring which is the igniting of natural gas at the end of a long metal tube or flare stack. This action causes the characteristic flame associated with flaring.

Incineration is the mixing and combusting of waste gas streams, air, and fuel in an enclosed chamber which are mixed at a controlled rate and ignited so that no flame is visible when operating properly. A correctly designed and operated incinerator can yield higher combustion efficiencies through proper mixing, gas composition, retention time, and combustion temperature. Combustion efficiency, generally expressed as a percentage, is represented by the amount of methane converted to CO₂, or H₂S converted to SO₂. The more converted, the better the efficiency.

The Company designs, manufactures and services proprietary high efficiency waste gas incineration systems. The Company's incineration product line is based on clean combustion technology that was developed by the Company and initially patented in both Canada and the United States in 1999. The Company has continued to evolve the technology over the years making several improvements from the original patent which expired in November 2019. The Company currently has five new pending patent filings.

The Company's highly specialized technical team works with the client to understand the waste gas volume and composition allowing it to determine the correct incineration product specification to achieve 99.99 percent combustion efficiency. The incinerators vary in size to accommodate small to large amounts of gas handling ranging from 20 mcf/d to 5,000 mcf/d. The incinerators also vary in automation and instrumentation depending on the client's requirements. The Company's incinerators are currently used in multiple segments of the energy infrastructure industry including drilling, completions, production, midstream, downstream, and transportation and distribution.

The Company has three primary incinerator related revenue streams: sales, rentals and services. Incinerator services include hauling, commissioning, repairs, maintenance and decommissioning. The Company's current key incineration markets are Colorado, North Dakota, Mexico, Pennsylvania, Texas, Alberta and North East BC. The United States Environmental Protection Agency (EPA) issued regulations to reduce harmful air pollution arising from 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. In conjunction with EPA regulations, Colorado's Regulation 7 mandates the use of enclosed combustion (incinerators) and now targets methane, resulting in a statewide focus on the responsible management of potentially fugitive hydrocarbons. North Dakota also has additional requirements that reflect some of the unique and specific needs that extend beyond the EPA's requirements. Pennsylvania is proposing legislation that will limit VOC emissions to 1.7t/year and 200t/year of methane per site, necessitating the need for highly efficient combustion equipment to deal with waste and fugitive gas emissions. California has banned open flaring by 2021. Other US states are working on enhancing regulations that deal with waste gas emissions. Mexico set a target to reduce methane emissions by 75 percent by 2025 creating an opportunity for the Company to eliminate the venting of methane through our clean combustion technology. Over 90 percent of the Company's incinerator rental fleet is in Colorado and North Dakota where regulation supports demand for its proprietary high efficiency waste gas incineration systems.

The Company services its key markets with field locations in Brighton and Fort Lupton, Colorado; Watford City, North Dakota and Grande Prairie, Alberta. The infrastructure at the field locations consist of field and maintenance technicians and technical sales staff. The facilities generally include, office space, maintenance shop and storage yard. We also have a sales presence in Texas and Pennsylvania. Personnel based out of Company's head office in Calgary, Alberta include Officers of the Corporation, management, engineering, technical sales, accounting and administration.

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

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

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