

Questor Technology Inc. Announces Second Quarter 2018 Results

CALGARY, Alberta, Aug. 07, 2018 --

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Questor Technology Inc. ("Questor" or the "Company") (TSX-V: QST) is pleased to announce its financial and operating results for the second quarter of 2018.

Highlights

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

	Three Months Ended June 30		Six Months Ended June 30	
	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Revenue	5,733,218	3,936,470	11,730,155	6,959,749
Gross profit ⁽¹⁾	3,285,011	2,363,512	7,125,356	3,824,494
Adjusted EBITDA ⁽¹⁾	3,045,420	1,599,366	6,538,109	2,446,484
Earnings	1,781,192	959,023	3,877,940	1,375,193
Earnings per share				
Basic	0.07	0.04	0.15	0.05
Diluted	0.07	0.04	0.14	0.05
As at		June 30, 2018		December 31, 2017
Working Capital (end of period)		8,624,083		6,854,250
Total assets (end of period)		25,907,802		25,538,004
Total equity (end of period)		22,884,920		18,779,219

⁽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 three and six months ended June 30, 2018.*

Three Months Ended June 30, 2018

Revenue in the second quarter of 2018 was \$5.7 million, an increase of 46 percent from the same period in 2017. The Company's rental revenue increased to \$3.4 million from \$2.1 million due to higher activity in the United States. The Company invested \$7.9 million in rental unit expansion since June 30, 2017 resulting in over 100% more rental units compared to the second quarter in 2017.

The Company's service revenue increased to \$0.8 million from \$0.3 million due to increased rental activity, higher mix of part sales related to service work, and increased transportation revenue. Transportation revenues have grown as result of investment in additional proprietary detachable trailers.

Gross profit increased by 46 percent as result of higher rental revenue and service revenue. Gross margin as a percentage of revenue decreased from 60% to 57%. The Company scheduled and completed a significant portion of the preventative maintenance program during the period. The maintenance is consistent with management's expectations as the Company has been running high utilization levels for the last twelve months.

The Company invested \$1.2 million into the rental fleet in the three months ended June 30, 2018. The new rental equipment has been mobilized to the United States region.

Six Months Ended June 30, 2018

Revenue for the six months ended June 30, 2018 was \$11.7 million, an increase of 69 percent from the same period in 2017. The Company's rental revenue increased to \$7.7 million from \$3.6 million due to higher activity in the United States. The Company has invested \$7.9 million in rental unit expansion since June 30, 2017 resulting in over 100% more rental units compared to the second quarter in 2017.

Gross profit increased by 86 percent as result of higher rental revenue and service revenue. Gross margin as a percentage of revenue increased from 55% to 61%. The improvement is result of revenue mix. Rental revenue mix increased from 51% in

2017 to 66% in 2018, rental revenues carry lower cost of sales which resulted in improved overall margins and gross profit.

The Company invested \$3.4 million into the rental fleet in the six months ended June 30, 2018. The new rental equipment has been mobilized to the United States region.

PRESIDENT'S MESSAGE

The Questor team in partnership with our clients has delivered strong results for this quarter. We invested \$1.2 million in our rental fleet in Colorado and we have plans to place rental units in Texas and Pennsylvania in the fourth quarter of this year. Questor will continue to commit capital to grow a presence in regions where producers are looking for high performing, cost-effective technologies to manage their waste gas and fugitive emissions. The Permian Basin continues to be active while facing flaring restrictions in an area lacking sufficient infrastructure to handle the associated gas produced with the oil. This lack of pipeline take away capacity in the basin is creating interest in our rental equipment to deal with the gas. This quarter Questor added experienced sales representation in Texas and Pennsylvania. In anticipation of sales and rental orders we have secured a yard in West Texas.

Recently, Questor's Q5000s were independently tested on a client's site at over 99.99%. The significance of this live test under normal flowing conditions is that clients are now able to increase their permitted VOC destruction from the default 95% to 99%, when they use a Questor unit. This translates directly into an increase in oil production or sufficient operating room within their new air permits. Questor already has new clients benefitting from this performance uplift especially in areas that have been designated as non-attainment zones by the EPA. Non-attainment areas are areas where the air quality does not meet the national standards. Other States in the US are in the process of implementing similar rules to those in Colorado to deal with emissions. Pennsylvania and California have just introduced stringent methane rules that will create growth opportunities for us. We are starting to see global focus on methane reduction and Mexico has also just recently announced methane reduction regulation.

We continue to separate ourselves from our competition by focusing on our clients' needs and this quarter introduced new low-pressure tank vapour burner technology that we are currently installing in all new rental units and retrofitting in all existing units. This technology is enabling our units to operate with maximum flexibility accommodating all low-pressure and high-pressure conditions typically experienced on well drilling and completions flowbacks through production operations all in a single Questor unit. This enhancement to our combustion offering has met with favorable response from our clients. We continue to deliver hybrid units to the Colorado market to solve the emission requirements in the production and operations phase. The addition of the low-pressure burner to our hybrid units has increased the versatility of these units. Questor continues to provide emissions control for well abandonment operations with operators seeking more capacity for the thousands of wells requiring compliant abandonment.

The opportunity for our technology solutions continues to grow and the team at Questor is well positioned to continue to deliver meaningful cost effective innovative solutions to meet our clients' needs to deal with emissions.

Questor's consolidated financial statements and notes thereto and Management's Discussion and Analysis for the three and six months ended June 30, 2018 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 Technology Inc. ("Questor" or the "Company") is incorporated in Canada under the Business Companies Act (Alberta). Questor is a public, international environmental Cleantech company founded in 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 improves 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. The Company's 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.

Questor trades on the TSX Venture Exchange under the symbol 'QST'.

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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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