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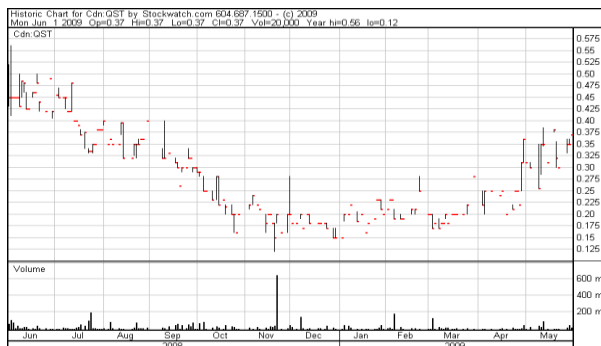
INDEPENDENT RESEARCH



Questor Technology Inc. (QST: TSX-V)

Date: June 1, 2009

Price: \$0.37



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.56 - \$0.12
3-Month Avg. Daily Trading Volume	10,088 shares
Market Capitalization	\$8.9 million
Enterprise Value	\$5.7 million
Book Value per Share (Mar. 31)	\$0.24
Current Ratio	5.9
Gross Margin	38%
LT Debt to 2009e CF	0.0
LT Debt to Equity	0.0
Price to f2008 Earnings	14.2
Price to f2009e Earnings	11.9

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Mar 31		Yr Ended Dec 31	
	2009	2008	2008	2007
Revenues	1,163	626	4,471	9,232
Net Income	83	(65)	628	1,977
per share	0.003	(0.003)	0.026	0.083
Cash Flow	164	12	837	3,084
per share	0.007	0.001	0.035	0.130

BALANCE SHEET (as at March 31, 2009)

Current Assets	\$ 5,350,056
Total Assets	6,627,142
Current Liabilities	907,523
Long-Term Debt	10,155
Shareholders' Equity	5,674,357

SHARES OUTSTANDING (as at May 27, 2009)

Basic	24,007,370
Fully-Diluted	27,044,870

* management and insiders own approximately 33% of the company's issued and outstanding common shares

Highlights:

- profitable company with positive working capital of \$4.4 million or \$0.19/share
- \$31 million in outstanding tenders
- positioned for growth in the expanding environmental sector
- "best-in-class" technology and products
- trading at less than 7 times earnings (net of working capital)

COMPANY OVERVIEW

Questor Technology is an international environmental oilfield service company founded in late 1994 and headquartered in Calgary, Alberta with a field office located in Grande Prairie, Alberta. Questor presently has operations in Canada, the US, Europe, and Asia. The company's principal business activities are designing and manufacturing high efficiency waste gas incinerators for sale or for use on a rental basis, and providing combustion-related field services.

Questor's proprietary incinerator technology destroys noxious or toxic hydrocarbon gases which ensures regulatory compliance, environmental protection, public confidence and reduced operating costs for clients. The company is recognized for its particular expertise in the combustion of sour gas (H₂S). While Questor's current client base is primarily in the oil and gas industry, this technology is applicable to other industries such as landfills, water and sewage treatment, tire recycling and agriculture.

The company's products are increasingly viewed as "best-in-class" because of their quality, reliability, and effectiveness. Questor's patented incineration process burns waste gas cleanly in a controlled, closed chamber with 99.99% combustion efficiency.

Apart from leveraging the market opportunities for its existing technology, the company is also committed to developing compatible air quality solutions and alternate markets. Two strategic

initiatives upon which the company is actively focused is the development of a process to convert waste gas to heat/power and to develop a portable process to remove hydrogen sulfide from waste gas streams and convert it to liquid sulphur which would reduce sulphur dioxide emissions. Questor is also in discussion with numerous clients regarding opportunities to generate carbon credits.

FINANCIAL SUMMARY

During the first quarter of 2009, Questor's revenues increased by 86% to \$1,163,196 compared with \$626,093 during the corresponding period in 2008. Revenues were almost entirely from Canada during the first quarter of 2009. Net income for the period was \$82,689 compared with a loss of \$65,048 in the first quarter of 2008. Gross margin was 38% in Q1/09 compared to 17% in Q1/08.

Questor presently has an additional order backlog of approximately \$1.2 million. These orders were received during the latter part of 2008 and in the first quarter of 2009 and will be reflected in the second and third quarters of 2009 when delivery occurs.

For the year ended December 31, 2008, Questor recorded revenues of \$4.5 million compared to \$9.2 million in 2007. The company's 2007 results were elevated by the completion of a US\$6.6 million sales contract for well testing incinerators to China Petrochemical International Company Ltd. (SINOPEC) delivered in July 2007. Net income for 2008 was \$0.6 million or \$0.03 per share compared to \$2.0 million or \$0.08 per share in 2007.

Questor has submitted more than \$31 million in quotes for projects of varying scope and jurisdictions pending completion of the tender process and notification of the clients' purchase decisions. This is a significant increase from bids outstanding of \$18 million as of December 31, 2008.

SUMMARY

The market potential for Questor's technology is significant. In the North American oil and gas sector alone there are currently more than 10,800 solution gas flares in Alberta and over 30,000 in the US. Converting only 10% of the flares to incineration would generate over \$400 million in sales for Questor.

Notwithstanding the immediate economic challenges, the environment remains a concern as governments respond with regulation to changing global attitudes towards the effects of climate change and the growing desire to reduce greenhouse gases. Meeting these clean air standards is expected to generate demand opportunities for Questor's technology and services.

The SINOPEC contract completed in 2007 provided Questor with significant balance sheet strength which is still carried today. As at March 31, 2009, the company had positive working capital of \$4.4 million or \$0.19 per share, including cash and cash equivalents of \$3.2 million.

Questor is currently trading at less than 7 times trailing earnings on a "net of working capital" basis. Revenues over the prior 12 months did not include any significant orders which are now a distinct possibility for 2009/2010 with a surge in interest and requests for quotes. Should the company be successful in securing larger orders, Questor has proven that it can deliver these contracts efficiently. With over \$31 million in current proposals, it appears to be more a matter of "when" rather than "if" the company can capitalize on the growing demand for waste gas incineration. New contracts would have a major impact on Questor's financial results and balance sheet and represents upside potential above and beyond the company's current fundamentals.

Questor recently ranked third among Alberta Venture's top 25 fastest growing companies with revenue under \$20 million.

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