

CALGARY, Feb. 29, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX,OSE:QEC) reported today on its fourth quarter 2015 results and preliminary financial and operating results for the year ended December 31, 2015. The Company also reported certain results of its December 31, 2015 Reserves Assessment and Evaluation of its oil and natural gas properties, as evaluated by McDaniel & Associates with an effective date of December 31, 2015, prepared in accordance with the COGE Handbook (the "Report").

Michael Binnion, President and Chief Executive Officer, commented, "Despite challenging commodity prices in 2015, we had a positive year for production. Our Montney project moved forward with the expansion of the joint venture facility to 30 MMcf/d plus liquids. We drilled extended-reach horizontal wells that benefitted from improved completion techniques. This increased our average daily production for the year to 1,582 boe/d from 1,076 boe/d in 2014."

He added, "In 2016, we plan to maintain our successes of last year. Our most recent horizontal well has been drilled with a lateral of approximately 2900m and we continue to optimize completions. Subject to results and commodity prices, we plan to selectively drill additional wells on our joint venture acreage this year."

2015 Highlights

- Kakwa development continued with expansion of joint venture facility and extended-reach horizontals with improved completions
- Rationalized oil shale portfolio with new MOU for acreage in Jordan and terminated agreement for Wyoming acreage
- Corporate total proved plus probable reserves of 12.9 MMboe with a before income tax NPV-10% of \$119.34 million
- Cash flow from operations of \$9.78 million with average daily production of 1,582 boe/d for the year

Commenting on the Company's oil shale assets, he noted, "We high graded our oil shale portfolio during the year. With the delay by Red Leaf to construct their commercial scale capsule, we surrendered our Wyoming project. We were successful in concluding an MOU for an oil shale project in Jordan with significant potential."

He further added, "Corporate total proved plus probable reserves at December 31, 2015 were 12.91 MMboe with a before income tax NPV-10 of \$119.34 million. The majority of these reserves, or 11.16 MMboe with a before income tax NPV-10 of \$77.64 million, are for our Montney assets. This compares to corporate reserves of 13.89 MMboe with a before income tax NPV-10 of \$231.63 million as at December 31, 2014 and reserves for the Montney assets of 11.92 MMboe with a before income tax NPV-10 of \$175.42 million."

For the year ended December 31, 2015, the Company reported cash flow from operations of \$9.78 million (2014: \$14.89 million) and \$2.27 million for the fourth quarter (2014: \$4.16 million). Production averaged 1,582 boe/d for the year (2014: 1,076 boe/d) with a 58% oil and liquids weighting (2014: 70%) and 1,648 boe/d for the fourth quarter (2014: 1,468 boe/d). As at December 31, 2015, the Company reported a working capital deficit of \$21.48 million (2014: \$9.25 million).

For the year ended December 31, 2015, the Company reported a net loss of \$73.53 million (2014: \$36.74 million). The loss for 2015 includes an impairment charge of \$69.62 million (2014: \$47.63 million) reflecting write-downs in the value of its investment in Red Leaf and impairments in the carrying value of its producing assets and exploration and evaluation assets due to, among other factors, current commodity prices.

In accordance with the requirements of National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators, the Company anticipates filing its Annual Information Form that includes more detailed disclosure relating to petroleum and natural gas activities for the 2015 fiscal year at the end of March 2016 as set out in the Report.

SUMMARY OF OIL AND GAS RESERVES
as of December 31, 2015

FORECAST PRICES AND COSTS

RESERVES CATEGORY	LIGHT AND MEDIUM CRUDE OIL		SHALE GAS		NATURAL GAS LIQUIDS	
	Gross	Net	Gross	Net	Gross	Net
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(Mbbbl)	(Mbbbl)
Proved						
Developed Producing	847.3	803.8	5,011.7	4,648.8	809.1	604.9
Developed Non-Producing	11.8	8.7	44.4	40.3	8.8	5.2
Undeveloped	296.4	281.0	12,486.5	11,612.4	2,484.8	1,938.9
Total Proved	1,155.5	1,093.4	17,542.5	16,301.5	3,302.7	2,549.0
Probable						
	443.5	417.1	18,717.6	17,634.5	1,967.4	1,502.6
Total Proved Plus Probable	1,599.0	1,510.6	36,260.2	33,936.1	5,270.2	4,051.5

SUMMARY NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2015

FORECAST PRICES AND COSTS

RESERVES CATEGORY	BEFORE INCOME TAXES DISCOUNTED AT (%/YEAR)					AFTER INCOME TAXES DISCOUNTED AT (%/YEAR)				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved										
Developed Producing	72,236.6	57,475.7	47,530.6	40,548.9	35,448.2	72,236.6	57,475.7	47,530.6	40,548.9	35,448.2
Developed Non-Producing	599.9	524.8	463.4	412.6	370.0	599.9	524.8	463.4	412.6	370.0
Undeveloped	75,690.0	42,251.1	22,149.1	9,507.9	1,245.7	75,690.0	42,251.1	22,149.1	9,507.9	1,245.7
Total Proved	148,526.5	100,251.6	70,143.1	50,469.4	37,063.9	148,526.5	100,251.6	70,143.1	50,469.4	37,063.9
Probable										
	126,005.6	75,768.8	49,200.0	33,719.8	23,975.5	126,005.6	75,768.8	49,200.0	33,719.8	23,975.5
Total Proved Plus Probable	274,532.1	176,020.4	119,343.1	84,189.1	61,039.4	274,532.1	176,020.4	119,343.1	84,189.1	61,039.4

SUMMARY OF PRICE FORECASTS

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
AECO Spot Price (\$C/MMBtu)	2.70	3.20	3.55	3.85	3.95	4.20	4.45	4.70	4.80
Edmonton Light Crude Oil (\$C/bbl)	56.60	66.40	72.80	80.90	83.20	88.20	93.30	98.70	100.70

[Questerre Energy Corp.](#) is leveraging its expertise gained through early exposure to shale and other non-conventional reservoirs. The Company has base production and reserves in the tight oil Bakken/Torquay of southeast Saskatchewan. It is bringing on production from its lands in the heart of the high-liquids Montney shale fairway. It is a leader on social license to operate issues for its Utica shale gas discovery in the St. Lawrence Lowlands, Quebec. It is pursuing oil shale projects with the aim of commercially developing these massive resources.

Questerre is a believer that the future success of the oil and gas industry depends on a balance of economics, environment and society. We are committed to being transparent and are respectful that the public must be part of making the important choices for our energy future.

Advisory Regarding Forward-Looking Statements

This media release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") including its expected future net revenues, the Company continuing to maintain its successes from 2015, its plan to optimize completions and selectively drill additional wells on its joint venture acreage in the Kakwa Resthaven area, the significant potential of its oil shale project in Jordan, and the filing of an Annual Information Form. In addition, statements relating to "reserves" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

Although Questerre believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information available to Questerre. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at www.sedar.com. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Questerre does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Barrel of oil equivalent ("boe") amounts may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil and the conversion ratio of one barrel to six thousand cubic feet is based on an energy equivalent conversion method application at the burner tip and does not necessarily represent an economic value equivalent at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains the terms "cash flow from operations" and "working capital deficit" which are non-GAAP terms. Questerre uses these measures to help evaluate its performance.

As an indicator of Questerre's performance, cash flow from operations should not be considered as an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with GAAP. Questerre's determination of cash flow from operations may not be comparable to that reported by other companies. Questerre considers cash flow from operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund operations and support activities related to its major assets.

For the year ended December 31,	2015	2014
(\$ thousands)		
Cash flows from operating activities	8,957	14,248
Interest (paid) received	225	(604)
Net change in non-cash operating working capital	596	1,246
Cash flows from operations	9,778	14,890

Working capital surplus (deficit) is a non-GAAP measure calculated as current assets less current liabilities excluding the current portion of the share based compensation liability and risk management contracts.

SOURCE [Questerre Energy Corp.](#)

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