

CALGARY, July 18, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX, OSE: QEC) is pleased to announce that it intends to complete a private placement of flow-through units of the Company.

The Company plans to issue up to 17.6 million flow-through units at a price of \$0.18 per unit for estimated gross proceeds of \$3.17 million (the "Flow-Through Placement"). Each flow-through unit will consist of one Common Share issued on "flow-through" basis ("CDE Flow-Through Share") and one-half of one non-flow-through share purchase warrant. Each whole warrant will entitle the holder to purchase one additional non-flow-through Common Share at a price of \$0.20 for a period of 18 months from closing. It is anticipated that an aggregate of 15.17 million flow-through units or 86% of the Flow-Through Placement will be subscribed for primarily by two directors, one of whom is the Chief Executive Officer who plans to acquire approximately 14.76 million Flow-Through Units, of which approximately 72% of such securities are anticipated to be vended to independent third parties following closing. Closing of the Flow-Through Placement is scheduled for on or around July 25, 2016.

The Flow-Through Placement is subject to receipt of all regulatory approvals, including the approval of the Toronto Stock Exchange ("TSX") and Oslo Bors ("OSE"). The CDE Flow-Through Shares will be subject to a statutory hold period on the TSX of four months plus one day from the closing date of the Flow-Through Placement.

The gross proceeds of the Flow-Through Placement will be used by the Company, pursuant to the provisions of the Income Tax Act (Canada), to incur eligible Canadian development expenses ("Qualifying Expenditures") after the closing date and prior to December 31, 2016 on Questerre's properties. The Company will renounce the Qualifying Expenditures to subscribers of the Flow-Through Units for the fiscal year ended December 31, 2016. In certain instances, the Company may pay finder's fees on a portion of the Flow-Through Placement in cash to registered investment dealers in accordance with applicable law.

The Company also reported on the status of its credit facility review that was conducted in the second quarter. The lender has advised that the credit facility will be renewed at \$30 million. The facility will include a \$24.9 million revolving operating demand facility ("Credit Facility A") and a non-revolving acquisition and development facility of \$5 million ("Credit Facility B"). Credit Facility A can be used for general corporate purposes, ongoing operations, capital expenditures within Canada, and acquisition of petroleum and natural gas assets within Canada. Credit Facility B can only be used for the development of existing proved non-producing/undeveloped reserves.

[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.

This media release contains certain statements which constitute forward-looking statements or information ("forward-looking statements"), including the completion of the private placement and the timing thereof, the use of proceeds of the Flow-Through Placement, the participation and amount of participation by certain directors and officers of the Company in the Flow-Through Placement, the vending of Units to independent third parties following closing, the incurrence and renunciation of Qualifying Expenditures, the renewal of the Company's credit facility and the leveraging the Company's expertise gained through early exposure to shale and other non-conventional reservoirs and bringing on production in the heart of the high-liquids Montney shale fairway.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Questerre, including expectations and assumptions concerning the timing of receipt of required regulatory approvals, the satisfaction of conditions to the completion of the Flow-Through Placement, the vending of the Units to independent third parties following closing, the renewal of the Company's credit facility and expectations and assumptions concerning the success of future drilling activities.

Forward-looking statements have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including, without limitation: the receipt of all regulatory approvals for the Flow-Through Placement; volatility in the market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; fluctuations in foreign exchange or interest rates; health, safety and environmental risks; stock market volatility; global economic events or conditions; certain other risks detailed in Questerre's public disclosure documents; and other factors, many of which are beyond the control of the Company. 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 statements, 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.

SOURCE [Questerre Energy Corp.](#)

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