

CALGARY, July 29, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX,OSE:QEC) is pleased to announce that it has increased the size of its previously announced flow-through placement from 17.6 million flow-through units to 26.39 million flow-through units and subsequently closed the offering for gross proceeds of approximately \$4.75 million (the "Flow-Through Placement").

Pursuant to the Flow-Through Placement, the Company has issued 26.39 million flow-through units at a price of \$0.18 per unit. Each flow-through unit consists 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. An aggregate of 13.87 million flow-through units or 53% of the Flow-Through Placement was subscribed by certain directors and officers of the Corporation, one of whom is the Chief Executive Officer who acquired approximately 13.45 million units. As previously reported, 9.25 million units or approximately 69% of such securities were vended to independent third parties following closing.

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, which hold period will expire on November 29, 2016.

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.

The participation of directors and officers in the Flow-Through Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying upon exemptions from the formal valuation and minority approval requirements of MI 61-101 based on a determination that the fair market value of the Offering, insofar as it involves related parties, does not exceed 25% of the market capitalization of the Company. The Company was not in a position to file a material change report more than 21 days in advance of the closing of the Offering as the participation of the related parties was not confirmed at that time.

[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 incurrence and renunciation of Qualifying Expenditures, 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 the 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: 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.

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