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CALGARY, Oct. 27, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX, OSE: QEC) is pleased to announce that its Board has approved a capital budget of approximately \$26 million for 2017 targeting the development of its Montney joint venture acreage in the Kakwa-Resthaven area of Alberta.

The budget follows a successful drilling program in 2016 where the Company selectively participated in wells due to low commodity prices and to preserve financial liquidity. Enhanced completion programs are contributing to improvements in initial well performance over prior years. Furthermore, the joint venture is making investments in infrastructure that are expected to reduce operating and completion costs. Based on these results and an improved outlook for commodity prices, the Company plans to participate in up to an 8 (2.0 net) well program plus additional infrastructure proposed by the operator for 2017.

In conjunction with the approval of its capital budget, the Company anticipates completing a private placement (the "Private Placement") directed towards Norwegian and international institutional investors.

The Company intends to use the net proceeds to partially fund the 2017 capital program, repay indebtedness under its credit facilities and general working capital purposes.

The Private Placement will consist of the issuance of up to 26.6 million Common Shares of the Company. The Private Placement will be priced in the context of the market and will be carried out through an accelerated book building process that will close on or before 08:00 (CET) on October 28, 2016. The minimum subscription and allocation is for Common Shares with an aggregate purchase price equivalent to EUR 100,000. Payment for the new shares is expected to be on or about November 3, 2016. The Company with the Managers (defined below) reserves the right to close or extend the application period at any time at their sole discretion. The result of the Private Placement is expected to be announced prior to the start of stock exchange trading on Oslo Børs ("OSE") on October 28, 2016.

The Private Placement is subject to receipt of all requisite approvals, including the approval by the Toronto Stock Exchange. The Common Shares issued are subject to certain resale restrictions in Canada and cannot be traded in Canada or to the benefit of a Canadian resident for four months and a day from the delivery date. The offering is completed in reliance on exemptions from the Prospectus Directive (Directive 2003/71 EC as amended by Directive 2010/73 EU). The new shares will be listed without application to the OSE upon publication of the listing prospectus as described further below.

Pareto Securities AS and Swedbank (together the "Managers") have been appointed as managers and bookrunners in connection with this placement.

The Managers have entered into a share lending agreement with primary insiders for 13.3 million shares that will be delivered to the subscribers as tradeable shares on OSE. The remaining 13.3 million shares contemplated to be issued in the Private Placement will be issued under a separate ISIN number and admitted for listing on OSE following the approval of an EU compliant prospectus by the Norwegian Financial Services Authority ("NFSA"). The new shares issued under a separate ISIN are expected to be registered on the Norwegian Over-the-Counter list (the "NOTC") until the approval of the prospectus at which time they will be transferred to the ordinary ISIN of the Company in the VPS system and tradeable on OSE. The Company is contemplating to conduct a subsequent offering directed towards shareholders of the Company not invited to participate in the Private Placement. The details of such subsequent offering, if conducted, will be provided in due course.

[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 press release contains forward-looking statements and forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities laws. In particular and without limitation, this news release contains forward-looking statements concerning: the Company's 2017 capital budget, contribution by enhanced completion programs to improving initial well performance over prior years, the investment in infrastructure expected to reduce operating and completion costs, the Company's plans to participate in an 8 (2.0 net) well program, the size, pricing and completion of the Private Placement and the timing thereof, the use of net proceeds of the Private Placement, the listing and trading of the shares issued

pursuant to the Private Placement, the filing of an EU compliant prospectus by the NFSA and the potential repair issue. Forward-looking statements typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

Forward-looking statements are based on a number of material factors, expectations or assumptions of the Company which have been used to develop such statements and information but which may prove to be incorrect, including the satisfaction of all conditions to the closing of the Private Placement and on the time frame contemplated. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties, including but not limited to: failure to obtain, in a timely manner, regulatory, stock exchange and other required approvals in connection with the Private Placement. Additional information regarding some of these risks, expectations, assumptions and other factors may be found in the Company's Annual Information Form and Management's Discussion and Analysis prepared for the year ended December 31, 2015. The reader is cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

SOURCE [Questerre Energy Corp.](#)

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