

CALGARY, Oct. 27, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX,OSE:QEC) reported today on the resource assessment (the "Resource Assessment") of its oil shale acreage in the Hashemite Kingdom of Jordan ("Jordan").

Michael Binnion, President and Chief Executive Officer of Questerre, commented, "The Resource Assessment indicates a significant resource with a best estimate of discovered petroleum initially in place of between 7.8 billion barrels to 12.2 billion barrels. While the size of this deposit is very positive, we have many technical and commercial milestones to achieve before we can develop this resource. We have started with the assessment of three retorting technologies and an economic feasibility analysis. By the end of the first quarter of 2017, we plan to update the Resource Assessment to include the potential volume and estimated value of any resources that could be commercially developed using established technologies."

He added, "Though there are several large oil shale deposits in the world, we are excited about this deposit because of its scale, rich oil yield (best estimate average of 23 gallons per ton), little to no expected interburden (intervals with no oil shale) and proximity to surface. We are benchmarking against the Green River shale, the largest oil shale resource in the world, located in Utah, Wyoming and Colorado. As an example, in a sweet spot in this area, Red Leaf Resources Inc. holds leases covering 14.5 square km known as the Greater Seep Ridge Area. An independent qualified reserve evaluator engaged by Red Leaf estimates 150 million barrels of in place resources for this area using a 2:1 overburden to ore cutoff. This works out to about 10.3 million barrels in place per square km. On our oil shale acreage in Jordan, the petroleum initially in place, using a similar cutoff is 7.8 billion barrels over 212 square km or approximately 36 million barrels per square km."

He further added, "Oil is produced from oil shale by mining and heating organic material known as kerogen instead of horizontal drilling and hydraulic fracturing that is used to produce shale oil and gas. As a result, economics for oil shale depend on commodity prices and the quality of the resource. This has been done successfully in niche markets like Estonia and China with established technologies recovering 80% to 90% of the Modified Fischer Assay oil yields. We have a long way to go before demonstrating production from our acreage in the current price environment. We are, however, very encouraged by the results to date to continue our work to make this happen."

The Resource Assessment was prepared by Millcreek Mining Group ("Millcreek"), an affiliate of Millcreek Mining, an independent integrated engineering company. Millcreek is an independent qualified resource evaluator, as defined by the National Instrument 51-101 & Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). The Resource Assessment was prepared in accordance with NI 51-101 and the COGE Handbook with an effective date of October 1, 2016. The Company is in the process of completing a conceptual study, however, at this time, given the preliminary nature of the Resource Assessment, it does not contain any estimates regarding the timing or cost to obtain commercial development nor has the Company finalized the specific recovery technology to be used.

Excerpts from the Executive Summary of the Resource Assessment are included below. A full copy of the Resource Assessment will be available on the Company's website at www.questerre.com in early November 2016.

The Resource Assessment covers the area under the Company's Memorandum of Understanding ("MOU") with the Ministry of Energy and Mineral Resources in Jordan. Pursuant to the MOU, the Company has the exclusive right to conduct exploration, engineering and development over 380 square km in the Isfir-Jafr region of Jordan, approximately 200 km south of the capital, Amman. This has been categorized into three areas referred to Blocks A, B and C, separated by two highway and infrastructure corridors. The Company holds a 100% working interest in the MOU and the resources.

The oil shale deposits of the MOU occur as kerogen-rich beds within the marine chalky limestones and marls of the Muwaqqar Chalk-Marl ("MCM") Formation. The Resource Assessment is based on the Modified Fischer Assay ("MFA") (see "Resource Definitions") data from over 40 core holes, including 35 drilled by the Natural Resources Authority ("NRA") and 5 drilled by Questerre in the last three years. The database utilized consists of over 1,900 MFA determinations ranging from 0.19 gallons per ton ("gpt") to 49.49 gpt.

The analytical MFA data suggests that the MCM oil shale is a continuous package with an Upper Lean horizon ("ULH") and a Lower Rich horizon ("LRH"). Determination between the ULH and LRH is based on assay, using 15 gpt as the minimum grade for the LRH. The ULH has an average thickness of 25.36m with a weighted average oil shale grade of 12.5 gpt. The LRH sits directly below the upper lean horizon with an average thickness of 40.68m. Weighted average grade for the LRH is 22.78 gpt. Both oil shale horizons are continuous throughout the area though based on current drilling, the oil shale horizons appear to pinch out along the southern margins of Blocks A and C.

The petroleum volumes within the area that resulted from this estimation process were classified as Discovered Petroleum Initially in Place ("DPIIP") and Undiscovered Petroleum Initially in Place ("UPIIP"), in accordance with the criteria of the COGE Handbook. DPIIP resources were further differentiated as Low, Best, and High based upon a statistical analysis of the thickness and grade data. It was determined that a radius of 1,000m from a core hole could satisfactorily be used for quantifying a Low resource estimate. Radii of 2,000m and 4,000m from a core hole were also determined for quantifying Best and High resource estimates,

respectively. Resources classified as Undiscovered have not been assigned any levels of confidence. DPIIP and UPIIP are the most specific assignable categories of resources at this time given the preliminary nature of the Resource Assessment, the nature of recovery of the hydrocarbons by means of mining and that a program of work to determine commercial viability using established technology has not yet been completed.

Discovered and Undiscovered PIIP Estimate (MMbbbls) as at October 1, 2016

Parcel	Strata	Low	Best	High	Undiscovered
Block A	ULH	26	65	86	1
	LRH	821	2,024	2,708	27
Block B	ULH	1,301	2,119	3,123	595
	LRH	1,537	2,503	3,689	703
Block C	ULH	146	413	582	24
	LRH	1,806	5,116	7,222	301
Total		5,636	12,240	17,410	1,651

The Best Estimate of the Discovered Resource PIIP is approximately 12.2 billion barrels of synthetic crude oil at an average grade of 20.12 gpt. Millcreek has been involved with conceptual mine planning to produce oil shale feedstock to support a surface retorting/processing facility capable of producing 20,000 bbl/d of synthetic crude oil. The purpose of the conceptual mine planning was to develop preliminary mining costs and identify a potential area(s) favorable to mine development. The mine planning considered all regions within the area where the LRH can be mined at less than a 2:1 volumetric ratio of overburden to ore, and considers maximizing ore grade, location to main road and other infrastructure, and minimizing the total mining cost per barrel. The tables below present the resource quantities and their classification that occur within the 2:1 volumetric ratio of overburden to ore, favorable to surface mining. Best Estimate for the LRH identifies 7.8 billion barrels with an average grade of 22.66 gpt.

Discovered and Undiscovered PIIP Estimate (MMbbbls) within a 2:1 Volumetric Strip Ratio as at October 1, 2016

Parcel	Strata	Low	Best	High	Undiscovered
A1	ULH	19	48	54	-
	LRH	692	1,759	1,977	-
B1	ULH	232	328	331	-
	LRH	896	1,267	1,280	-
B2	ULH	-	98	164	-
	LRH	-	148	247	-
C1	ULH	148	387	534	34
	LRH	1,763	4,610	6,373	407
Total		3,750	8,645	10,960	441

The Resource Assessment and an update on the Company's MOU in Jordan will be presented at the 3rd Annual International Jordan Oil Shale Symposium and the 36th Colorado School of Mines Oil Shale Symposium in November 2016 in Jordan.

The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis

available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The significant positive factors for estimating these resources include good well-spaced core, continuous regular resource and low structural complexity. The significant negative factors for these estimates include the coarse grid of well control reflecting the early stage nature of the project and the unknown nature of MFA quality control on the Ministry drilled cores.

Oil Shale compared to Shale Oil

Oil shale is often confused with shale oil and shale gas production. When conventional oil and gas is extracted from shale rock formations like those in the Montney in Alberta, North Dakota, Pennsylvania and Texas, it is correctly called shale oil and shale gas, not oil shale. Production of shale oil and gas generally involves horizontal drilling and hydraulic fracturing.

By contrast, oil shale development is the process by which a solid organic material rich in hydrocarbons called kerogen is converted to crude oil, condensate and natural gas by applying heat in the absence of oxygen. All conventional oil and gas was once kerogen. Over millions of years, heat from the earth's core caused deposits of kerogen to transform into oil and natural gas. Modern oil shale production simply accelerates the natural process of turning kerogen into oil and gas, either by mining the ore and heating it at the surface or heating it underground.

[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 the Company's plans, the Resource Assessment, including the results thereof and the pending updating to the Resource Assessment. 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.

Resource Definitions

Resources encompasses all petroleum quantities that originally existed on or within the earth's crust in naturally occurring accumulations, including Discovered and Undiscovered (recoverable and unrecoverable) plus quantities already produced. "Total resources" is equivalent to "Total Petroleum Initially In Place". Resources are classified in the following categories:

Total Petroleum Initially In Place ("TPIIP") is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

Discovered Petroleum Initially In Place ("DPIIP") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and Contingent Resources; the remainder is unrecoverable.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies. Economic Contingent Resources (ECR) are those contingent resources that are currently economically recoverable.

Undiscovered Petroleum Initially In Place ("UPIIP") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources" and the remainder as "unrecoverable."

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

Unrecoverable is that portion of DPIIP and UPIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks. Uncertainty Ranges are described by the Canadian Oil and Gas Evaluation Handbook as low, best, and high estimates for reserves and resources as follows:

Low Estimate: This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate: This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

MFA is the most common analytical method applied to oil shale. It was first developed in Germany and later modified by the US Bureau of Mines as a method to evaluate oil shale potential. The analysis is a controlled pyrolysis of the sample. The pyrolysis yields distilled vapors of oil, gas, water which are cooled and then separated through centrifuging.

Certain resource estimate volumes disclosed herein are arithmetic sums of multiple estimates of DPIIP or UPIIP, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained under this Resource Definitions section.

SOURCE [Questerre Energy Corp.](#)

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