

CALGARY, Nov. 10, 2016 /CNW/ - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX, OSE: QEC) reported today on its financial and operating results for the quarter ended September 30, 2016.

Michael Binnion, President and Chief Executive Officer, commented, "We made measurable progress on all our assets this quarter. At Kakwa, enhanced well completions are delivering promising results. The average production over the first 90 days for 2016 wells, including those we did not participate in, is approximately 25% higher than the 90 day average for 2015 wells. We are investing in additional infrastructure to reduce costs and improve returns on future wells. We also strengthened our financial liquidity, raising approximately \$12 million through two equity placements in July and early November."

Highlights

- Quebec Government approves new hydrocarbon legislation in principle
- Finalized resource assessment for Jordan oil shale acreage
- Completed equity placement for gross proceeds of \$4.75 million
- Average daily production of 1,275 boe/d with cash flow from operations of \$1.45 million for the quarter

He added, "The new hydrocarbon legislation introduced in June was approved in principle by the Quebec government. This is another important milestone. The law is now being studied in detail and we expect it will be approved before year-end. It will lay the groundwork for the new regulations that we should see next spring."

Commenting on the Company's oil shale assets in Jordan he further noted, "We finalized an independent resource assessment of our oil shale acreage in Jordan. It indicates a significant resource of discovered petroleum initially in place. Although this project is still in its infancy, it validates the investment we have made over the last two years."

The Company reported daily production that averaged 1,275 boe/d in the third quarter of 2016 (2015: 1,934 boe/d) with Kakwa accounting for nearly 75% of these volumes (2015: 80%). In 2016, only one (0.25 net) new well on its joint venture acreage at Kakwa was brought on production in the quarter compared to four (1.0 net) new wells in third quarter of 2016. On a year to date basis, production declined by under 10% to 1,411 boe/d in 2016 from 1,559 boe/d last year.

Lower production volumes and commodity prices in 2016 resulted in cash flow from operations of \$1.45 million for the quarter (2015: \$3.18 million). The Company reported a net loss of \$1.01 million for the third quarter of 2016 (2015: \$18.17 million loss) and a net loss of \$3.51 million for the nine months ended September 30, 2016 (2015: \$17.49 million).

Consistent with prior periods, for the nine months ended September 30, 2016, Questerre invested \$8.96 million in its assets (2015: \$19.51 million) with over 80% in Kakwa (2015: 90%) and 10% in Jordan (2015: \$2%). The Company intends to invest up to an additional \$3 million over the remainder of this year.

The term "cash flow from operations" is a non-IFRS measure. Please see the reconciliation elsewhere in this press release.

[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 view that it made measurable progress on all its assets, that enhanced well completions are delivering promising results, that investments in additional infrastructure will reduce costs and improve returns on future wells at Kakwa, the expectation that the new hydrocarbon legislation in Quebec will be approved before year-end, the expectation that new regulations in Quebec will be introduced next spring, the Company's belief that its investment in Jordan is validated by the resource assessment, and the anticipation that incremental capital investment in 2016 could be up to \$3 million.

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 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 three months ended September 30,	2016	2015
(\$ thousands)		
Net cash from operating activities	\$1,591	\$3,362
Interest paid	231	100
Net change in non-cash operating working capital	(375)	(280)
Cash flows from operations	\$1,447	\$3,182

Working capital surplus (deficit) is a non-GAAP measure calculated as current assets less current liabilities excluding risk management contracts.

SOURCE [Questerre Energy Corp.](http://QuesterreEnergyCorp)

Contact
1650 AMEC Place, 801 Sixth Avenue SW, Calgary, Alberta T2P 3W2 Canada, Tel (403) 777-1185, Fax (403) 777-1578, Email info@questerre.com