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CALGARY, Feb. 8, 2017 /CNW/ - Questerre Energy Corp. ("Questerre" or the "Company") (TSX,OSE:QEC) reported today on the resource assessment (the "Resource Assessment") of its Utica acreage in the St. Lawrence Lowlands, Quebec ("Quebec").

The best estimate by the Company's independent reserve engineers of unrisked Prospective Resources net to Questerre is 5.8 Tcf (965 million barrels of oil equivalent ("boe")). This represents a 30% increase over the 2010 year-end assessment by Netherland, Sewell & Associates, Inc. with a best estimate of unrisked Prospective Resources of 4.4 Tcf (738 million boe) net to Questerre. Additionally, the Resource Assessment details the best estimate of unrisked Contingent Resources net to Questerre is 898 Bcf (150 million boe). Contingent Resources were not assigned in 2010 due to the high uncertainty of economic potential at that time.

Michael Binnion, President and Chief Executive Officer of Questerre, commented, "After the new legislation was passed in December, we updated the Resource Assessment for our natural gas discovery in the Quebec Utica. The equivalent Ohio Utica in the United States has seen astonishing success using new technology. Resources on our acreage have now only been assigned to the Upper Utica interval which is producing in Ohio and Pennsylvania, compared to the entire Utica interval in our previous assessment. Most importantly, the assessment supports that with the new technology, our discovery has strong economic potential. We are currently assessing low population density regions in Quebec that are most suitable for a pilot."

The updated Resource Assessment assigned Economic Contingent Resources for approximately 16% of Questerre's acreage based on the test results from the Company's Utica wells. The test results from these wells were reported by Questerre in 2008 to 2010. The chance of commercial development for these Economic Contingent Resources was based on population density, ability to secure local acceptability to operate, the ability to apply new technology to environmental issues and other factors. As a result, our acreage has been high-graded by individual regional county municipality (RCM) with chance of commercial development ranging from 10% to 70%.

Mr. Binnion further added, "In the Resource Assessment, only two out of over thirty RCMs in the St. Lawrence Lowlands are being considered for pilot projects based on the factors above. These two RCMs, Lotbiniere and Becancour, have demonstrated well results within areas of very low population density. Our acreage in these two RCMs covers 253,000 acres. Of this area, only 36,000 acres or 5% of our total acreage is currently being evaluated for possible future development and has been assigned contingent resource in the development on hold category. The net present value of this limited development area, covering 36,000 acres, discounted at 10% before tax and risked with a 70% chance of development is estimated at $311 million."

The Resource Assessment was conducted by GLJ Petroleum Consultants ("GLJ"), an independent qualified reserves evaluator, with an effective date of December 31, 2016. It includes an economic assessment of Contingent Resources based on GLJ's price forecast as of the same date. The price forecast can be found online at: https://www.gljpc.com/historical-forecasts. It forecasts a NYMEX Henry Hub price of US$3.60/MMBtu in 2020 increasing to US$4.48/MMBtu in 2026 and increasing at 2% per annum thereafter. It assesses the Utica Shale gas potential within the Company's 735,910 gross acres in the St. Lawrence Lowlands of Quebec. The Resource Assessment was prepared in accordance with 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").

GLJ estimated petroleum initially in-place ("PIIP"), both discovered and undiscovered, as well as recoverable Contingent and Prospective Resources over Questerre's acreage. The evaluation consisted of the Upper Utica which includes the Indian Castle and Dolgeville members as well as the Flat Creek. The Flat Creek, the lower most member was only evaluated to estimate undiscovered petroleum initially-in-place ("UPIIP"). No recoverable resources were assigned given the lack of test data.

The Resource Assessment is based on the results from several vertical and horizontal wells on the Company's acreage that have all encountered pay in the Utica. Test data from these wells in conjunction with offset development and studies of the analogous US Utica supports the prospective commercial development of these resources.

Contingent Resource volumes have been classified as 'development on hold' or 'development unclarified.' Those areas classified as development on hold, including Lotbiniere and Becancour, are primarily contingent on the passage of applicable hydrocarbon and environmental legislation and regulations as well as local acceptability. Remaining areas classified as development unclarified have additional contingency or risk associated with securing social license to operate and are thereby a lower priority for development. Additional contingencies include firm development plans, detailed cost estimates and corporate approvals and sanctioning. There is no certainty that any portion of the Contingent Resources will be economic to develop.

Though pilot horizontal development plans have been proposed, the project evaluation scenario for the Contingent Resources is not sufficiently defined to make an investment decision to proceed to development.

The Contingent Resources have been risked for the chance of commerciality, or commercial development, defined as the

product of the chance of discovery and the chance of development. For Contingent Resources, the chance of discovery is equal to one. The chance of development is the estimated probability that once discovered, a known accumulation will be commercially developed.

The Contingent Resources have established technology status. The development utilizes multistage hydraulic fracturing recovery technologies that are widely used in the development of shale gas plays including the Montney in Canada and the Utica formation in Ohio.

Summary tables from the Resource Assessment are included below.

				Chance of Commerciality	
	Low Estimate	Best Estimate	High Estimate	Chance of Discovery	Chance of Development
Upper Utica					
Discovered Petroleum Initially in-Place[1] (Bcf)	12,991	15,166	17,582		
Estimated Recovery Factor for Contingent Resources	18%	26%	37%		
Recoverable Contigent Resources (Gross Lease) (Bcf)					
Development on Hold	705	1,152	1,920	100%	70%
Development Unclarified	1,671	2,736	4,560	100%	15%
Recoverable Contingent Resources (Company Share)[2] (Bcf)					
Development on Hold	166	272	453	100%	70%
Development Unclarified	383	626	1,044	100%	15%
Undiscovered Petroleum Initially in-Place (Bcf)	68,975	78,855	89,658		
Estimated Recovery Factor for Prospective Resources	19%	27%	40%		
Recoverable Prospective Resources (Bcf)					
Gross Lease	12,991	21,258	35,430		
Company Share	3,540	5,793	9,654	81%	19%
Lower Utica					
Undiscovered Petroleum Initially in-Place [3] (Bcf)	24,526	29,896	35,635		

Notes:

1. There is no certainty that it will be commercially viable to produce any portion of the resources.
2. Unrisked Company interest volumes.
3. 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.

Summary of Risked Contingent Resources and Risked Net Present Values - Table I

Development on Hold Category of Contingent Resources

	Low Estimate	Best Estimate	High Estimate
Becancour Project Area			
Chance of Development	70%	70%	70%
Company Interest - Shale Gas (Bcf)	63	102	168
Before Tax Present Value ($ Million) (Risked)			
0%	215	438	839
10%	78	150	264
15%	52	102	181
Lotbiniere Project Area			
Chance of Development	70%	70%	70%
Company Interest - Shale Gas (Bcf)	68	112	184
Before Tax Present Value ($ Million) (Risked)			
0%	232	476	913
10%	84	161	342
15%	56	110	196
Total - Becancour and Lotbiniere Project Areas			
Company Interest - Shale Gas (Bcf)	131	215	352
Before Tax Present Value ($ Million) (Risked)			
0%	447	914	1,752
10%	162	311	606
15%	108	212	377

An estimate of risked net present value of future net revenue of Contingent Resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of the Company proceeding with the required investment. It includes Contingent Resources that are considered too uncertain with respect to the chance of development to be classified as reserves. There is no certainty that the estimate or risked net present value of future net revenue will be realized. Further, estimated values of future net revenue do not represent fair market value.

Summary of Risked Contingent Resources and Risked Net Present Values - Table II

Development Unclarified Category of Contingent Resources

	Low Estimate	Best Estimate	High Estimate
Development Unclarified			
La Visitation Project Area			
Chance of Development	25%	25%	25%
Company Interest - Shale Gas (Bcf)	34	55	90
Before Tax Present Value ($ Million) (Risked)			
0%	122	248	467
10%	35	67	117
15%	21	41	72
St. David Project Area			
Chance of Development	10%	10%	10%
Company Interest - Shale Gas (Bcf)	13	22	36
Before Tax Present Value ($ Million) (Risked)			
0%	51	104	194
10%	12	23	41
15%	7	13	23
St. Francois-du-Lac Project Area			
Chance of Development	10%	10%	10%
Company Interest - Shale Gas (Bcf)	7	11	18
Before Tax Present Value ($ Million) (Risked)			
0%	21	44	86
10%	6	12	22
15%	4	8	14
St. Louis Project Area			
Chance of Development	10%	10%	10%
Company Interest - Shale Gas (Bcf)	7	11	18
Before Tax Present Value ($ Million) (Risked)			

0%	22	46	89
10%	5	11	19
15%	3	6	11
Total - La Visitation, St. David, St. Francois, St. Louis areas			
Company Interest - Shale Gas (Bcf)	60	99	161
Before Tax Present Value ($ Million) (Risked)			
0%	216	442	836
10%	58	113	199
15%	35	68	120

The PIIP was determined probabilistically on a permit basis with estimates of 45 to 145 Bcf per square mile for the Upper Utica. This compares favorably to analogous US shale plays with estimates of the Utica in Ohio at between 35 to 85 Bcf per square mile and 25 to 150 Bcf per square mile for the Marcellus shale in Pennsylvania. Of the total PIIP estimated over the Company's acreage, only land within a 3 mile radius of a successfully tested well was quantified as discovered gas-in-place. Based on this qualification only 16% of the total mapped PIIP in the Upper Utica was considered discovered Contingent Resource.

Development of the Contingent Resources is based on low, best and high estimate type curves with Expected Ultimate Recoveries ("EUR") of 5.5 Bcf, 9 Bcf and 15 Bcf respectively. The type curve assumes wells with horizontal legs of approximately 2400 metres and 24 fracture stages. These estimates are based on performance of analogous wells in the US Utica and Marcellus share, test data of the Quebec Utica forecast to ultimate recoveries and publically available type curve information published by other industry operators. Pad development of approximately 8 wells per pad is expected to be based on 400m spacing between wells, or 2.7 wells per square mile. The first commercial production associated with the development of Contingent Resources is scheduled for 2019 based on development timing as estimated by the Company.

Drilling and completion costs per well were estimated, at approximately $6.9 million based on publicly available information by industry operators active in the US Utica and Marcellus shale. Additionally, pipeline and other infrastructure costs were estimated at between $0.2 and $0.6 million per well, depending on pipeline and infrastructure requirements to transport gas to market from respective contingent resource areas, based on full commercial development. Realized pricing is based on the NYMEX Henry Hub price with a premium to reflect the transportation costs to the Dawn hub in Ontario plus a premium of between $0.88/Mcf to $1.40/Mcf for transportation costs to Quebec.

Recovery factors of 18%, 26% and 37% were estimated in the total low, best and high contingent cases respectively. These values were in line with other shale plays and supported by the test data forecast to ultimate recoverable estimates on the Company's tested wells in the area.

The Upper Utica was considered undiscovered for approximately 84% of the total mapped PIIP. Recovery factors of 19%, 27% and 40% were applied to the low, best and high estimates resource cases respectively. In addition to the chance of development risking, Prospective Resources were also risked for chance of discovery. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

Significant positive factors relevant to the estimate of the Company's resources include the importation of all natural gas consumed in Quebec creating demand for local production, premium realized pricing due to the transportation costs associated with importing natural gas for consumption, production test data from the Company's existing wells and the development of the analogous Utica shale in the United States. Significant negative factors include the limited number of wells on the Company's acreage, lack of a developed service sector providing uncertainty regarding estimates of capital and operating costs, developing hydrocarbon regulations and environmental legislation and the requirement to obtain social acceptability for oil and gas operations.

While the Company believes it will have sufficient financial capability to fund its share of costs associated with the development program in the Resource Assessment, it may not have access to the necessary capital when required. Conducting the development program is also dependent on the participation by the Company's joint venture partners. There is no guarantee that they will elect to participate in the program to the extent required. The Company retains the right to conduct activities without the operators' participation on an independent operations basis whereby it can fund 100% of the capital costs for certain

well operations and facilities in return for net revenue equal to 400% of its capital investment before the operators can elect to either remain in a penalty position or hold a working interest.

A summary of the Contingent Resources on an unrisked basis is included below.

	Low Estimate	Best Estimate	High Estimate
Summary of Unrisked Contingent Resources and Values			
Development on Hold			
Shale Gas (Bcf)			
Total Company Interest	187	306	504
Before Tax Present Value ($ Million)			
0%	638	1,306	2,503
10%	232	444	866
15%	154	302	539
Development Unclarified			
Shale Gas (Bcf)			
Total Company Interest	403	659	1072
Before Tax Present Value ($ Million)			
0%	1,430	2,944	5,584
10%	378	734	1,305
15%	218	433	776

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 people, the planet and profits. 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 volume and estimates value of resources, future oil and gas prices, future liquidity and financial capability, future results from operation, future drilling and completion costs, pipeline and other infrastructure costs, and expenses and royalty rates, future interest costs and exchange rates, future development, the anticipated participation in the development by the Company's partners, exploration and related capital expenditures, the number of wells to be drilled, the effect of new technology on the Company's operations, areas of future development, the effect of hydrocarbon laws and regulation on the Company and its assets and future development plans. 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 DPIIP 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 UPIIP is referred to as Prospective Resources and the remainder is 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.

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.

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