

Questerre provides corporate update

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CALGARY, Dec. 19, 2018 - [Questerre Energy Corp.](#) ("Questerre" or the "Company") (TSX, OSE: QEC) reported on recent developments including the impact of a 325,000 barrel a day curtailment of oil production announced by the Government of Alberta. The curtailment does not apply to the Company's condensate production in the province.

Michael Binnion, President and Chief Executive Officer of Questerre, noted, "We're very pleased that the discount between condensate prices in Alberta and the US benchmark West Texas Intermediate ("WTI") has reduced by over 50% since the announcement of the mandatory curtailment."

Alberta

He added, "Record discounts before the announcement will impact our condensate pricing and, as a result, cash flow for the last quarter of this year. We expect residual impacts from these differentials on cash flow in the first half of 2019 that will also see some operational shut-ins in the first quarter. Differentials should continue to normalize throughout next year and the main factor for future cash flows will remain the benchmark WTI price. As a result, we still plan to participate in up to seven gross wells on our Kakwa joint venture acreage, but we are closely watching prices to ensure we still make a good return on our capital."

Commenting on its Kakwa North acreage, Mr. Binnion further added, "Step Energy Services and NCS Multistage, the service companies that completed our wells here, recently announced the first well was a record setter for depth using a two inch coiled tubing rig-assisted completion. These wells tested at average rates of 2,800 boe/d and we have a 5% gross overriding royalty on production before payout of capital. They should be tied-in and on production early in the new year. We are looking forward to the operator's plans for next year which could include up to two additional farm-in wells."

The Company is also evaluating drilling locations for its recently acquired 34 (17 net) section block with its partner. The acquisition of this block closed last month and was financed by Questerre's existing cash resources. The block lies adjacent to both its producing acreage in central Kakwa and Kakwa North.

Quebec

In Quebec, issues regarding local natural gas development and importation of oil from the rest of Canada have recently garnered significant media coverage. Commenting on this media coverage, Mr. Binnion said, "We support the policy of requiring social license and the Quebec Oil & Gas Association's best practice of 3% profit sharing with local communities. We have consistently indicated we do not intend to pursue development in communities that do not support it. In spite of polling that consistently shows a majority of Quebecers support local natural gas development, there still remains a significant requirement for consultation."

He further noted, "We are also confident about our legal position and motion on the legality of the regulations announced and implemented by the previous government in the context of the election. Questerre and other industry players are open to a constructive resolution that respects the policy and law while giving confidence to the public."

Jordan

Reporting on its project in Jordan, he commented, "We are looking forward to negotiations with the Kingdom of Jordan for our concession early in the new year. In the meantime we are continuing the work with our partners on the engineering to improve the economics of developing this multi-billion barrel resource."

In closing, he added, "It has been a very challenging time in markets for producers and service companies. We have maintained a strong working capital position heading in 2019 while making a material land acquisition and achieving excellent well results in Kakwa in the fourth quarter. We are very excited that a clean tech approach to natural gas development will be a game changer for Quebec and for social acceptability."

[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 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.

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Advisory Regarding Forward-Looking Statements

This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") including the Company's views on the impact of differentials on its condensate revenue and cash flow in the fourth quarter of 2018 and the first half of 2019, the expected production shut-ins in the first quarter of 2019, the expectation that differentials will normalize during 2019, the Company's views that the main factor for future cash flows remains the benchmark WTI, the Company's plans to participate in up to seven gross wells at Kakwa, the expectation that the Kakwa North wells will be on production in early 2019, the Company's plans to not pursue development in Quebec communities that do not support development, the Company's views that there remains a significant requirement for consultation to secure social acceptability, its opinion that it and other industry players are open to a constructive resolution that respects policy and the law, its expectations to start negotiations with the Kingdom of Jordan for its concession agreement early in the new year and the Company's views that a cleantech approach to natural gas development will be a game changer for Quebec and social acceptability. Forward-looking statements are based on a number of material factors, expectations or assumptions of Questerre which have been used to develop such statements and information but which may prove to be incorrect. For more information on the well tests at Kakwa North, please refer to the Company's press releases dated November 9, 2018 and November 22, 2018.

Although Questerre believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Questerre 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. Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including, without limitation: whether the Company's exploration and development activities respecting its prospects will be successful or that material volumes of petroleum and natural gas reserves will be encountered, or if encountered can be produced on a commercial basis; the ultimate size and scope of any hydrocarbon bearing formations on its lands; that drilling operations on its lands will be successful such that further development activities in these areas are warranted; that Questerre will continue to conduct its operations in

a manner consistent with past operations; results from drilling and development activities will be consistent with past operations; the general stability of the economic and political environment in which Questerre operates; drilling results; field production rates and decline rates; the general continuance of current industry conditions; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Questerre to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Questerre operates; and the ability of Questerre to successfully market its oil and natural gas products; changes in commodity prices; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, changes in development plans of Questerre or by third party operators of Questerre's properties, increased debt levels or debt service requirements; inaccurate estimation of Questerre's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Questerre's public disclosure documents. Additional information regarding some of these risks, expectations or assumptions and other factors may be found under in the Company's Annual Information Form for the year ended December 31, 2017 and other documents available on the Company's profile at www.sedar.com. 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 Questerre 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.

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.

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