

QUESTERRE ENERGY CORPORATION

MATERIAL CHANGE REPORT

Form 51-102F3

Item 1 - Name and Address of Company

Questerre Energy Corporation (“**Questerre**” or the “**Company**”)
1650, 801 - 6th Avenue S.W.
Calgary, Alberta T2P 3W2

Item 2 - Date of Material Change

The material change occurred on April 10, 2018.

Item 3 - News Release

A news release announcing the material change was issued through NASDAQ Global NewsWire on June 4, 2018.

Item 4 - Summary of Material Change

Questerre has entered into a Letter of Intent (“**LOI**”) with a senior exploration and production company (the “**Vendor**”) to settle outstanding litigation and acquire the exploration rights to all of their assets located in the St. Lawrence Lowlands, Quebec (the “**Quebec Assets**”).

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

Questerre has entered into a LOI with the Vendor to acquire the Quebec Assets.

Pursuant to the LOI, Questerre will acquire the exploration rights to 753,000 net acres in the Lowlands, associated wells and equipment, geological and geophysical data and other miscellaneous assets. Upon closing of the transaction, both parties will release each other from all claims related to the outstanding litigation. In the interim, the parties anticipate entering into a standstill agreement to postpone all actions and toll any other litigation to allow for closing of the transaction. Other consideration including cash and the security required for the assumption of abandonment and reclamation liabilities (“**A&R Liabilities**”) is approximately \$16.10 million in aggregate. Questerre may post a letter of credit as security for the A&R Liabilities.

Closing of the transaction is subject to the enactment by the Ministry of Energy and Natural Resources (“**Ministry**”) in Quebec of the following regulations (the “**Regulations**”): (i) the Regulation Respecting Petroleum Exploration, Production and Storage in a body of water; (ii) the Regulation Respecting Petroleum Exploration, Production and Storage on land; and (iii) the Regulation Respecting Petroleum Exploration, Production and Storage Licenses, and Pipeline Construction or Use Authorization. The Company anticipates the final Regulations could be published around the end of the second quarter of this year. Additional conditions to closing include the execution of a purchase and sale agreement.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 - Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

Not applicable.

Item 8 - Executive Officer

Jason D'Silva, Chief Financial Officer
Telephone: (403) 777-1188

Item 9 - Date of Report

This report is dated June 7, 2018.

Forward-Looking Statements

This material change report contains certain statements which constitute forward-looking statements or information (“**forward-looking statements**”) including the Regulations being published and the timing thereof, the settlement of the litigation, the entering into of a standstill agreement, the posting of a letter of credit as security for the A&R Liabilities, the entering into of a purchase and sale agreement and the closing of the transaction. There is no assurance that the transactions contemplated herein will close as anticipated or at all. 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 information, including the risks that the Regulations are not enacted in a timely manner or prevent the closing of the purchase and sale of the Quebec Assets. 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 because of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

This material change report does not constitute an offer of securities for sale in the United States. These securities may not be offered or sold in the United States absent registration or an available exemption from registration under the United States Securities Act of 1933, as amended.

Forward-looking statements are based on several material factors, expectations or assumptions of Questerre which have been used to develop such statements and information, but which may prove to be incorrect.

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 material change report 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.