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May 10, 2019 – Questerre reports first quarter 2019 results

Calgary, Alberta -- Questerre Energy Corporation ("Questerre" or the "Company") (TSX, OSE: QEC) reported today on its financial and operating results for the first quarter ended March 31, 2019.

Michael Binnion, President and Chief Executive Officer of Questerre, commented, "In the first quarter, we made good progress in Quebec through the agreement to regain operatorship and discussions with stakeholders on our Clean Tech Energy project. We also made progress on our Montney assets at Kakwa. The first two farm-in wells at Kakwa North were tied-in. Initial production from these wells with longer laterals and more intense completions compares favorably to our other joint venture wells. The operator also spud the third farm-in well and we anticipate one more well could spud this summer."

He added, "Early in the second quarter, we closed an equity placement to improve our financial liquidity. This allows us to continue investing in Kakwa and increasing the investment as necessary. We are also in a much stronger financial position to advance our project in Quebec."

Highlights

- Executed agreement to acquire assets and regain operatorship in Quebec
- Working with stakeholders on social license for Clean Tech Energy project in Quebec
- Third farm-in well spud at Kakwa North
- Average daily production of 1,944 boe/d for the quarter with adjusted funds flow from operations of \$2.45 million

With Kakwa accounting for over three quarters of corporate volumes, the capital investment in this area last year resulted in average daily production of 1,944 boe/d in the first quarter (2018: 2,013 boe/d). The lower oil and liquids prices in the first quarter of 2019 contributed to petroleum and natural gas revenue of \$7.11 million compared to \$9.54 million in the prior year. The Company generated adjusted funds flow from operations of \$2.45 million for the first quarter of 2019 (2018: \$4.65 million) and reported a net loss of \$0.93 million for the period (2018: Net income of \$0.06 million). Consistent with prior years, capital investment focused almost exclusively at Kakwa and totaled \$2.85 million (2018: \$8.66 million).

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

Questerre Energy Corporation 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.

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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 view that it has made good progress in Quebec with the agreement to regain operatorship and discussions with stakeholders, the Company's view that initial production from its wells at Kakwa North compare favorably to its other joint venture wells, its anticipation that one more well could spud this summer, the Company's plans to continue investing at Kakwa and increasing investment as necessary, and the Company's view that it is in a much stronger financial position to advance its project in Quebec. 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.

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 "adjusted funds flow from operations" and "working capital surplus" which are non-GAAP terms. Questerre uses these measures to help evaluate its performance.

As an indicator of Questerre's performance, adjusted funds 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 adjusted funds flow from operations may not be comparable to that reported by other companies. Questerre considers adjusted funds 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.

	Three months ended March 31,	
(\$ thousands)	2019	2018
Net cash used in operating activities	\$ (592)	\$ (352)
Interest received	(1)	(58)
Interest paid	174	136
Change in non-cash operating working capital	2,873	4,926
Adjusted Funds Flow from Operations	\$ 2,454	\$ 4,652

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