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 December 23, 2019.

Item 3 - News Release

A news release announcing the material change was issued through GlobeNewswire on January 7, 2020.

Item 4 - Summary of Material Change

Questerre's investee corporation, Red Leaf Resources Inc. ("**Red Leaf**"), has improved its capitalization by redeeming substantially all of its outstanding preferred shares at a material discount to the face value.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

Questerre's investee corporation, Red Leaf, has improved its capitalization by redeeming substantially all of its outstanding preferred shares at a material discount to the face value.

Red Leaf recently concluded an agreement to redeem approximately 96% of its outstanding preferred shares at a discount of over 50% of the face value for total consideration of US$43 million. The agreement includes the resignation of all the Board nominees for the preferred shareholders. Furthermore, Red Leaf will also cancel approximately 4% of its issued common share capital.

Upon completion of this transaction, Red Leaf will have approximately US$30 million in cash, no debt and 398,972.10 common shares and 1,795 preferred shares outstanding. Red Leaf's principal assets are its proprietary process to produce oil from shale and its oil shale leases in the state of Utah. Post-closing, Questerre will hold 132,292.43 common shares, representing approximately 33% of the common shares and 288 preferred shares, representing 16% of the preferred shares outstanding.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 - Reliance on subsection 7.1(2) 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 January 7, 2020.

Forward-Looking Statements

This material change report contains certain statements which constitute forward-looking statements or information ("**forward-looking statements**") including Red Leaf's cash position. 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.