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November 12, 2024 – Questerre reports third quarter 2024 results

Calgary, Alberta -- Questerre Energy Corporation ("Questerre" or the "Company") (TSX,OSE:QEC) reported today on its financial and operating results for the third quarter ended September 30, 2024.

Michael Binnion, President and Chief Executive Officer of Questerre commented, "The challenges for the Quebec energy markets continue to evolve. Bill 69, requiring an integrated electricity and gas management plan, could renew interest in natural gas as a transition fuel in Quebec. During the public consultation process this quarter, we advocated for local natural gas production as an essential part of the energy mix through the Quebec Energy Association. With the technical review by the Quebec Ministry of Economy, Innovation and Energy complete, our application for a carbon storage pilot is advancing through the approval process. Carbon capture could contribute to meeting Quebec's climate goals with the on-going consumption of natural gas."

He added, "We also committed to developing our Kakwa North acreage this quarter. A three (1.5 net) well program started in October. We expect them to be completed early next year and on-stream by the second quarter. This follows the three (0.75 net) well program on our Kakwa Central acreage this spring with the wells coming on production late in the third quarter."

Highlights

- Expert witness report filed for legal claim in Quebec
- Three (1.5 net) well program approved at Kakwa North and three (0.75 net) wells tied-in at Kakwa Central
- Average daily production of 1,913 boe per day with adjusted funds flow from operations of \$3.4 million

Consistent with prior periods, Kakwa continued to account for 80% of corporate production. With three (0.75 net) wells at Kakwa Central brought on production late in the quarter, production increased over the same period last year but declined year to date over the prior year. For the third quarter, daily production averaged 1,913 boe/d (2023: 1,830 boe/d) and for the nine months ended September 30, 2024, it averaged 1,712 boe/d (2023: 1,866 boe/d).

The higher production volumes were offset by the lower commodity prices in the current quarter. For the quarter, petroleum and natural gas sales totaled \$9.5 million compared to \$10.7 million last year and \$27.3 million year to date compared to \$32 million in the prior year. This contributed to adjusted funds flow from operations of \$3.4 million (2023: \$3 million) in the quarter and \$10.9 million for the first three quarters of the year (2023: \$12.6 million).

The lower revenue also contributed to a net loss of \$0.3 million for the quarter (2023: \$0.3 million loss). The Company reported a net profit of \$0.8 million (2023: \$2.3 million) for the nine months ended September 30, 2024. Capital expenditures in the quarter were \$3.4 million (2023: \$0.9 million) and \$13.1 million year to date (2023: \$6.6 million).

As at September 30, 2024, effectively no material amounts were drawn on the facility and the Company held unrestricted cash and term deposits of \$35.9 million. The Company had a net working capital surplus of \$27.6 million (2023: \$30.2 million surplus).



The term "adjusted funds flow from operations" and "working capital surplus" are non-IFRS measures. Please see the reconciliation elsewhere in this press release.

Questerre is an energy technology and innovation company. It is leveraging its expertise gained through early exposure to low permeability reservoirs to acquire significant high-quality resources. We believe we can successfully transition our energy portfolio. With new clean technologies and innovation to responsibly produce and use energy, we can sustain both human progress and our natural environment.

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.

For further information, please contact:

Questerre Energy Corporation
Jason D'Silva, Chief Financial Officer
(403) 777-1185 | (403) 777-1578 (FAX) | Email: info@questerre.com

Advisory Regarding Forward-Looking Statements

This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") including its views that Bill 69 could renew interest in natural gas as a transition fuel in Quebec, the ability of carbon capture to contribute to meeting Quebec's climate goals and the timing for production from the new wells at Kakwa North. 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: the implementation of Bill 69 by the Government of Quebec 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, 2023, and other documents available on the Company's profile at www.sedarplus.ca. 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.

Certain information set out herein may be considered as "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Questerre's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

⁽¹⁾ For the three-month period ended September 30, 2024, liquids production including light crude and natural gas liquids accounted for 1,106 bbls/d (2023: 1,050 bbls/d) and natural gas including conventional and shale gas accounted for 4,842 Mcf/d (2023: 4,677 Mcf/d). For the nine-month period ended September 30, 2024, liquids production including light crude and natural gas liquids accounted for 1,006 bbls/d (2023: 1,077 bbls/d) and natural gas including conventional and shale gas accounted for 4,236 Mcf/d (2023: 4,734 Mcf/d).

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.

(\$ thousands)	Three months ended Sept 30,		Nine months ended Sept 30,	
	2024	2023	2024	2023
Net cash from operating activities	4,060	2,382	9,829	11,163
Change in non-cash operating working capital	(632)	652	1,027	1,483
Adjusted Funds Flow from Operations	3,428	3,034	10,856	12,646

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