

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 October 22, 2018.

Item 3 - News Release

A news release announcing the material change was issued through GlobeNewswire on November 9, 2018.

Item 4 - Summary of Material Change

The operator of Questerre’s joint Kakwa North acreage recently completed the first well on this acreage, being the 03/16-29-063-6W6M well (the "**103/16-29 Well**"), which included a 3000m horizontal leg in the Montney Formation. During the last 24 hours of a 210-hour production test, the 103/16-29 Well flowed at an average rate of 11.6 MMcf/d of natural gas and 990 bbls/d of condensate (2,922 boe/d). Although the early results from the 103/16-29 Well are encouraging they are not necessarily indicative of long-term performance or ultimate recovery.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

The operator of Questerre’s joint Kakwa North acreage recently completed the first well on this acreage, being the 103/16-29 Well, which included a 3000m horizontal leg in the Montney Formation. During the last 24 hours of a 210-hour production test, the 103/16-29 Well flowed at an average rate of 11.6 MMcf/d of natural gas and 990 bbls/d of condensate (2,922 boe/d). Although the early results from the 103/16-29 Well are encouraging they are not necessarily indicative of long-term performance or ultimate recovery.

The operator has exercised its option to tie-in the 103/16-29 Well to third party processing facilities. Questerre will hold a royalty interest in the 103/16-29 Well subject to standard payout provisions.

The Company has acquired 34 (17 net) sections for the Montney Formation immediately offsetting its producing acreage at Kakwa and its acreage at Kakwa North. The lands are subject to an industry standard gross overriding royalty. Subject to the drilling of additional wells under its farm-out agreement at Kakwa North, the Company will hold 63 (27.5 net) sections of Montney rights in the Kakwa area.

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 November 16, 2018.

Forward-Looking Statements

This material change report contains certain statements which constitute forward-looking statements or information (“**forward-looking statements**”) including the operator’s plans to tie in the 103/16-29 Well. 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.

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.

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 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.