



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 15, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 9, 2022

QUESTERRE ENERGY CORPORATION
SUITE 1650, 801 – 6TH AVENUE S.W.
CALGARY, ALBERTA
T2P 3W2

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an Annual and Special Meeting (the “**Meeting**”) of the shareholders of Questerre Energy Corporation (the “**Corporation**”) will be held in the Bennett Room of the Ranchmen’s Club, 710 – 13th Avenue SW, Calgary, Alberta, on June 15, 2022 at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint Ernst & Young LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and, if thought fit, pass an ordinary resolution approving the shareholder rights plan of the Corporation as set forth in the accompanying Management Information Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record as of May 6, 2022, the record date, are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta, this 9th day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS
(signed) “*Michael R. Binnion*”
President and Chief Executive Officer

IMPORTANT

Amid concerns about the coronavirus (COVID-19) pandemic, the Corporation remains mindful of the well-being of our shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting. However, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at www.questerre.com or the Corporation’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

A shareholder may attend the Meeting in person or may be represented thereat by proxy. It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. Shareholders who do not hold their Common shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “Advice to Beneficial Holders of Common Shares” in the accompanying Management Information Circular.

To be effective, the enclosed Instrument of Proxy must be received by Computershare Trust Company of Canada: (a) by mail to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or (b) by Fax at 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment(s) thereof.

QUESTERRE ENERGY CORPORATION

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 15, 2022

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Questerre Energy Corporation (“**Questerre**” or the “**Corporation**”) for use at the Annual and Special Meeting of the holders of Class A common voting shares (the “**Common Shares**”) of the Corporation to be held in the Bennett Room of the Ranchmen’s Club, 710 – 13th Avenue SW, on the 15th day of June, 2022 at 3:00 p.m. (Calgary time), or at any adjournment thereof (the “**Meeting**”), for the purposes set forth in the accompanying Notice of Meeting. The information contained herein is given as of the 6th day of May, 2022, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

IMPORTANT

Amid concerns about the coronavirus (COVID-19) pandemic, the Corporation remains mindful of the well-being of our shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting. However, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at www.questerre.com or the Corporation’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

In order to ensure as many Common Shares as possible are represented at the Meeting, shareholders are strongly encouraged to complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose following the instructions set out below under the headings “Appointment and Revocation of Proxies”. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out below under the heading “Advice to Beneficial Shareholders of Common Shares”.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Computershare Trust Company of Canada (“**Computershare**”) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by no later than 3:00 p.m. (Calgary time) on June 13, 2022 or on the second last business day preceding any adjournment of the Meeting. A proxy must be executed by the shareholder or by his or her attorney authorized in

writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Computershare at the place and within the time specified above for the deposit of proxies.

A proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his or her attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized and deposited with Computershare at the place and within the time specified above for the deposit of proxies.

The close of business on May 6, 2022 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the “**Record Date**”).

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders. A substantial number of shareholders do not hold Common Shares in their own name (“**Beneficial Shareholders**”). There are two kinds of Beneficial Shareholders - those who do not object to the issuer of the securities they own knowing who they are and how many securities they hold (“**NOBOs**” for Non-Objecting Beneficial Owners), and those who object to their name and holdings being made known to the issuer of the securities (“**OBOs**” for Objecting Beneficial Owners). Issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agent, use this list for specific purposes connected with the affairs of the Corporation (including the ability to formally recognize NOBOs at the Meeting for the purposes of voting their shares in person or by proxy), and obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge Financial Solutions, Inc. (“**Broadridge**”)).

The Corporation is not sending proxy-related materials directly to NOBOs and accordingly, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from Broadridge. These VIFs are to be completed and returned to Broadridge in the envelope provided or by facsimile. In addition, Broadridge provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Broadridge will tabulate the results of the VIFs received from the NOBOs and will provide appropriate instructions to the Corporation’s Registrar and Transfer Agent with respect to the shares represented by the VIFs they receive. **Please return your voting instructions as specified in the VIF.**

OBOs should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, such Common Shares will not be registered in

the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered in the name of the broker or an agent of the broker.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from OBOs in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge mails the proxy materials to the OBOs and asks them to return the proxy forms to Broadridge. **An OBO receiving a proxy from Broadridge will not be able to use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted. The Corporation does not know the names of the OBOs. As a result, OBOs will not be recognized at the Meeting for the purposes of voting their Common Shares in person or by proxy, without following the procedures set out by their broker or its agent.** OBOs may only revoke their proxies in accordance with the procedure established by their broker or its agent.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The Common Shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted FOR the resolutions referred to in items 1, 2, 3 and 4 of the proxy.

If any amendment or variation to matters identified in the Notice of Meeting is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Management Information Circular, the management of the Corporation is not aware of any amendments or variations or other matters to come before the Meeting.

Signature on Proxies

The form of proxy must be executed by the shareholder or his or her duly appointed attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following that person's signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Solicitation of Proxies

This solicitation is made on behalf of the management of the Corporation. This Management Information Circular and forms of proxy are not being sent to registered or beneficial owners using the Notice and Access procedures contained in National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*. The costs incurred in the preparation and mailing of both the form of proxy and this Management Information Circular will be borne by the

Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

The Corporation is not sending this Management Information Circular and forms of proxy directly to NOBOs. The Corporation will be sending these materials directly to its registered shareholders and indirectly to all non-registered shareholders through their intermediaries. The Corporation will pay for an intermediary to deliver these materials and a VIF to OBOs.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date of this Management Information Circular, Questerre had 428,515,836 issued and outstanding Common Shares. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to receive notice of and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Computershare not later than 10 days before the Meeting that his, her or its name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of five (5%) percent of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Objectives and Process

The ESG, Compensation, Corporate Governance and Nominating Committee of the board of directors of the Corporation (the “**Board**”) makes recommendations to the Board regarding compensation to be provided to the executive officers and directors of the Corporation and, in doing so, receives input from the President and the Chief Executive Officer of the Corporation (the “**CEO**”) in respect of all executive officers other than the CEO. Compensation of all executive officers, including the CEO, is based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation.

The Corporation’s executive compensation program is available to the Named Executive Officers of the Corporation which is defined by the securities legislation to mean each of the following individuals, namely: (i) the Chief Executive Officer of the Corporation; (ii) the Chief Financial Officer of the Corporation; (iii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial

year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end (the “**Named Executive Officer**”).

The objectives of the Corporation’s executive compensation program are twofold, namely: (i) to enable the Corporation to attract and retain highly qualified and experienced individuals to serve as Named Executive Officers; and (ii) to align the compensation levels available to the Named Executive Officers to the successful implementation of the Corporation’s strategic plans. The Corporation’s executive compensation program is designed to reward the Named Executive Officers where they have contributed to the prosperity and growth of the Corporation.

Elements of Compensation

The Corporation’s executive compensation program consists of a combination of the following significant elements, namely: base salary, the payment of bonuses where appropriate under the bonus plan and participation in the Stock Option Plan (as hereinafter defined). These elements contain both short-term incentives, comprised of cash payments, being those provided by way of base salaries and under the bonus plan, as well as long-term incentives, comprised of equity-based incentives, being those provided under the Stock Option Plan. Extended health care, dental and insurance benefits are provided to all employees, including the Named Executive Officers. The process for determining perquisites and approval of benefits for the Named Executive Officers is, firstly, to implement perquisites and benefits which are comparable to those usually offered by other corporations of a similar size to the Corporation and secondly, to make those perquisites and benefits available to each Named Executive Officer, equally. The Corporation chooses to pay each element of its executive compensation program in order to maintain its competitive position in the marketplace. The amount for each element of the Corporation’s executive compensation program is determined based upon compensation levels provided by the Corporation’s competitors as well as upon the discretion of the Board, where applicable, as described below. Each element of the Corporation’s executive compensation program is intended to contribute to an overall total compensation package which is designed to provide both short-term and long-term financial incentives to the Named Executive Officers and to thereby assist the Corporation to successfully implement its strategic plans. The ESG, Compensation, Corporate Governance and Nominating Committee annually assesses how each element fits into the overall total compensation package and makes recommendations to the Board relating thereto from time to time.

Base Salaries

Base salaries for the Named Executive Officers are reviewed annually and are set to be competitive with industry levels. In addition, in its annual review of base salaries, the ESG, Compensation, Corporate Governance and Nominating Committee has regard to the contributions made by the Named Executive Officers, how their compensation levels relate to compensation packages that would be available to such officers from other employment opportunities, commercially available salary survey data and information publicly disclosed by some of the Corporation’s competitors and peers. This enables the Corporation to establish base salaries which attract and retain highly qualified and experienced individuals. Other than as set out immediately above, the base salaries of the Named Executive Officers are not determined based on benchmarks, performance goals or a specific formula.

Effective February 2019, following an independent review of its compensation by a third-party advisory firm, the Company revised the Base Salaries for the Named Executive Officers as detailed below. Effective April 2020, the Corporation reinstated a four-day work week and a 20% reduction in salaries to reduce overhead expenses in the low commodity price environment. These changes remain in effect as of the date of the Management Information Circular.

Name	Base Salary in effect from May 2018 to January 2019 (\$)	Base Salary effective February 2019 (\$)	Base Salary effective April 2020 (\$)
Michael Binnion, President and Chief Executive Officer	342,000	322,000	257,600
Jason D'Silva, Chief Financial Officer	200,000	220,000	176,000
Peter Coldham, Vice President, Engineering	200,000	200,000	160,000
Rick Tityk, Vice President, Land	180,000	190,000	152,000
John Brodylo Vice President, Exploration	180,000	190,000	152,000

Bonus Plan

In addition to base salaries, the Board may award cash bonuses to employees, including executive officers. The award of a bonus is recommended, in the case of employees, by senior management, for approval by the ESG, Compensation, Corporate Governance and Nominating Committee. Bonus levels for Vice Presidents are established by the ESG, Compensation, Corporate Governance and Nominating Committee in consultation with the CEO, and the CEO's bonus is established by the ESG, Compensation, Corporate Governance and Nominating Committee in consultation with the independent members of the Board. In the case of non-executive employees, bonuses are based on the employee's contribution in adding share value, reducing costs and the employee's contribution to overall corporate goals. In the case of executive officers, including the CEO, bonus awards are based on actual corporate and individual performance as assessed by the ESG, Compensation, Corporate Governance and Nominating Committee and/or the independent members of the Board, as applicable. The Corporation has not adopted a formal bonus plan.

For the year ended December 31, 2021, payments totalling \$0.17 million were made in 2022 under the bonus plan to recognize the improved commodity price environment. For the prior year, no payments were made under the bonus plan due to the financial results that were negatively impacted by the decline in commodity prices. For the year ended December 31, 2019, payments of \$0.19 million were made under the bonus plan in 2020 to recognize the achievement of corporate objectives, specifically the closing of the acquisition of assets in Quebec.

Risks of Compensation Policies and Practices

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the ESG,

Compensation, Corporate Governance and Nominating Committee noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's current financial strength, operating strategy and related compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and
- the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives.

Based on this review, the ESG, Compensation, Corporate Governance and Nominating Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

The Corporation's insider trading policy prohibits directors, officers, consultants, employees and those persons deemed to have a "special relationship" with the Corporation from buying or selling any derivative securities that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Stock Option Plan

The stock option plan of the Corporation (the "**Stock Option Plan**") permits the granting of stock options to the Corporation's employees, officers, directors and consultants and certain other eligible persons for the purpose of developing the interest of the participants in the growth and development of the Corporation and to better enable the Corporation to attract and retain persons of desired experience and ability. The Stock Option Plan facilitates the alignment of the compensation levels of the Named Executive Officers to the successful implementation of the Corporation's strategic plans by resultant increases in the price of the Common Shares. For a description of the process used by the Corporation to grant stock options, see the section herein entitled "**Option-Based Awards**". Other than as set out therein, the number of options granted are not based on benchmarks, performance goals or a specific formula.

The aggregate number of Common Shares issuable pursuant to stock options granted under the Stock Option Plan and under any other security based compensation arrangement, if any, issued to insiders within any one year period and, issuable to insiders, shall in either case, not exceed 10% of the issued and outstanding Common Shares. The aggregate number of Common Shares granted to any one person may not exceed 5% of the issued and outstanding Common Shares. In addition, the Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to stock options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The Stock Option Plan provides for the exercise price to be determined by the Board provided that the exercise price of the options may not be less than that permitted by the Toronto Stock Exchange (the "**TSX**") being the closing price on the last business day preceding the date of grant. Vesting of the stock options is determined by the Board in its sole discretion. Substantially all of the Corporation's stock options have been granted so as to vest in equal

quarterly amounts over a three-year period starting at the grant date or one year from the grant date.

Participation in the Stock Option Plan is voluntary. In order to constitute a valid stock option under the Stock Option Plan, the participant and the Corporation must enter into a valid option agreement in a form acceptable to the Board. Stock options granted under the Stock Option Plan will be for a term of no longer than six years commencing on the date of the granting of the option, subject to extension in certain circumstances and with appropriate approvals. The interest of any optionee under the Stock Option Plan is not transferable or assignable by the optionee. If any optionee ceases to be a participant as a result of death, then such options may be exercised until the earlier of one year after the date of death and the expiry of the options. If an optionee is terminated for cause by the Corporation, no unvested option held by such optionee may be exercised following the date of termination. If the optionee ceases to be a participant for any reasons other than as described above, the optionee may exercise any vested options for a period of 90 days following the date of such cessation, however, at the discretion of the Corporation, the exercise period of the options may be extended in certain circumstances for a maximum of the expiry date of the options or five years from the date of such cessation. In the event of a change of control, at the Board's discretion, all unexercised and unvested outstanding stock options shall immediately vest and be exercisable. In the event a bona fide offer ("**Offer**") is made for the Common Shares, the Corporation will notify each optionee of the Offer and the full particulars thereof and such option may be exercised in whole or in part by the optionee so as to permit the optionee to tender the Common Shares received upon exercise of its options (the "**Optioned Shares**") to the Offer. If the Offer is not completed, the Optioned Shares shall be returned by the optionee to the Corporation in exchange for the exercise price therefor and the options shall be reinstated on the same terms. If the Corporation amalgamates, consolidates or merges with or into another corporation, any Common Shares receivable on the exercise of an option shall be converted into securities, property or cash the participant would have received had the option been exercised prior to such event and the option price shall be adjusted appropriately by the Board. In the event of any change in the Common Shares through a consolidation, subdivision or reclassification of Common Shares, or otherwise, the number of Common Shares available under the Stock Option Plan, the Common Shares subject to an option and the purchase price thereof shall be adjusted appropriately by the Board. Subject to the *Business Corporations Act* (Alberta) or any other laws applicable to the Corporation, the Board may at any time authorize the Corporation to loan money to any optionee on such terms and conditions (including without limiting the generality of the foregoing, terms and conditions respecting whether such loan shall be made with or without recourse and whether and at what rate interest shall be payable thereon) as the Board in its sole discretion may determine, to assist such optionee to exercise a stock option held by the optionee.

The Stock Option Plan includes a put right (the "**Put Right**") which allows an optionee, from time to time, to require the Corporation to purchase all or any part of the then vested options of the Optionee for an amount equal to the market price of the Common Shares less the option price of the Option Shares. Notwithstanding the foregoing, the Corporation may, at its sole discretion, decline to accept and, accordingly, have no obligations with respect to the exercise of a Put Right at any time.

In order to comply with the withholding requirements pursuant to the *Income Tax Act* (Canada) upon the exercise of stock options, the Stock Option Plan permits the Corporation to take all reasonable and necessary steps, including the sale of any Optioned Shares issued upon the exercise of stock options, to satisfy any tax remittance obligations of the Corporation.

The Board approved an amendment of a “housekeeping nature” to the Stock Option Plan on May 11, 2017 to provide an automatic extension of the expiry date of options issued pursuant to the Stock Option Plan during a Blackout Period (as defined below). As a result of the amendment, in the event that an optionee is subject to a restriction on trading in the securities of the Corporation as a result of the policies of the Corporation (the period during which such restriction is in effect being referred to as a “**Blackout Period**”) and if any stock options granted under the Stock Option Plan expire during such Blackout Period, then without any further action, the expiry date of such Option(s) shall be extended to the date that is ten (10) business days after the conclusion of the Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options.

The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of stock options granted under the Stock Option Plan, subject to any required approval of any applicable regulatory authority or the TSX. Disinterested shareholder approval will be required for any reduction in the exercise price, or the expiry date of stock options granted to insiders. The approval of the shareholders of the Corporation will be required for future amendments to the Stock Option Plan which amend the number of Common Shares issuable pursuant to stock options issued thereunder or which change the class of participants which may broaden or increase participation by insiders of the Corporation.

As of the date hereof: (i) the Corporation has issued under the Stock Option Plan stock options pursuant to which 35,247,500 Common Shares are issuable which represents 8.24% of the currently outstanding Common Shares; and (ii) there remains for issuance under the Stock Option Plan stock options pursuant to which 7,504,084 Common Shares may be issued which represent 1.76% of the currently outstanding Common Shares. For the year ended December 31, 2021, 1,000,000 Common Shares were issued pursuant to the exercise of stock options.

The Stock Option Plan burn rate is expressed as a percentage and is calculated in accordance with Section 316(p) of the TSX Company Manual, by dividing: (i) the number of securities granted under the Stock Option Plan during the applicable fiscal year; by (ii) the weighted average number of securities outstanding for the applicable fiscal year. The burn rate is subject to change based on the number of stock options granted and the weighted average number of Common Shares issued and outstanding for the applicable financial year. The Stock Option Plan is not subject to a multiplier that may increase the number of shares to be issued on settlement based on performance or any other measure.

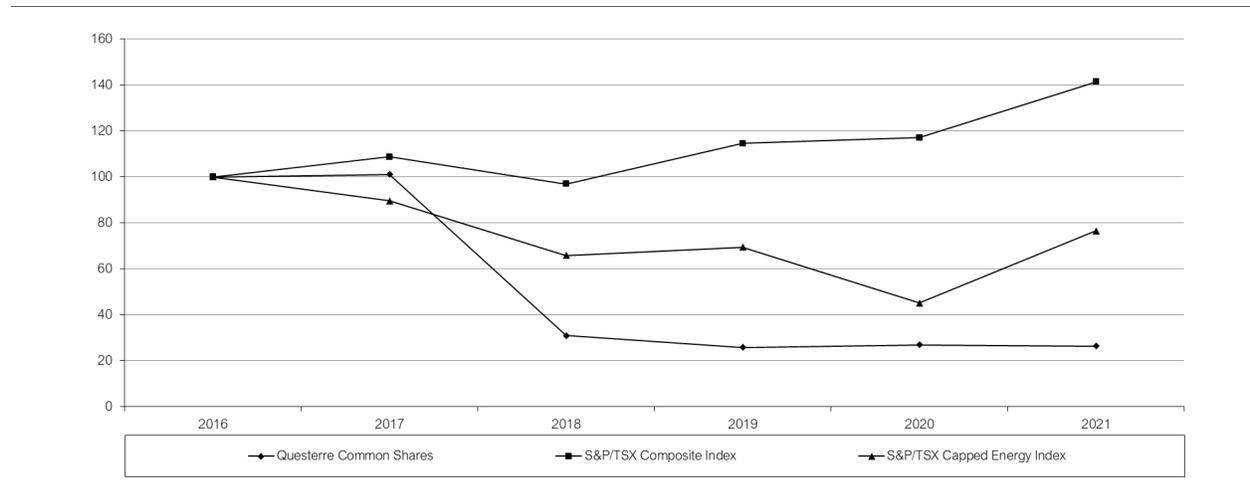
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Stock Options Outstanding, beginning of year	25,351,250	27,087,084	21,412,084
Stock Options Granted	8,350,000	6,475,000	6,100,000
Stock Options Exercised	(1,000,000)	-	-
Stock Options Forfeited	(2,343,750)	(846,000)	(50,000)
Stock Options Expired	<u>(50,000)</u>	<u>(7,364,834)</u>	<u>(375,000)</u>
Stock Options Outstanding, end of year	30,307,500	25,351,250	27,087,084
Weighted Average Number of Common Shares	428,033,644	427,613,101	415,650,869
Annual Burn Rate	1.95%	1.51%	1.47%
Annual Option Exercise Rate ⁽¹⁾	-	-	-

Note:

(1) The exercise rate is calculated based on the total number of options exercised divided by the weighted average number of Common Shares issued and outstanding during the year.

Performance Graph

The following graph illustrates cumulative shareholder return, as measured by the closing price of the Common Shares at the end of each financial year indicated, assuming an initial investment of \$100 on December 31, 2015, compared to the S&P/TSX Composite Index and the S&P TSX Capped Energy Index.



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Questerre Common Shares	100	101	31	26	27	26
S&P/TSX Composite Index	100	109	97	115	117	141
S&P/TSX Capped Energy Index	100	90	66	70	45	77

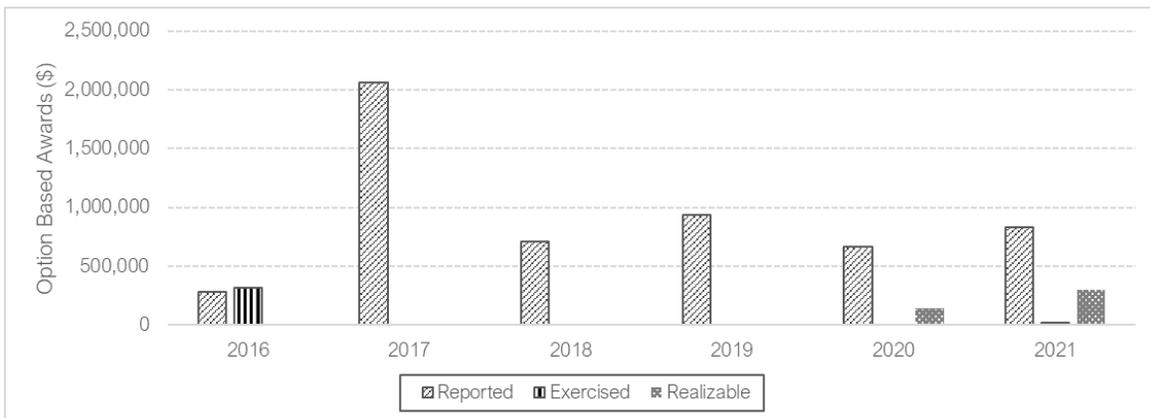
Executive Compensation Alignment with Shareholder Value

The Corporation’s compensation strategy is designed to pay for performance and includes the following components:

- Base salaries are not dependent on share performance; they are determined by competitiveness with industry levels, internal relativity and performance;
- Payments under the bonus plan are based on the employee’s contribution in adding shareholder value, reducing costs and their contribution to overall corporate goals. In the case of executive officers, payments are based on actual corporate and individual performance;
- Awards under the Stock Option Plan are designed to facilitate the alignment of compensation to the successful implementation of the Corporation’s strategic plans by resulting increases in the price of Common Shares. The value realized from stock options is entirely dependent on the Corporation’s share price performance, creating alignment between NEO compensation and shareholder returns. If the Corporation’s share price appreciates from the date the stock options were granted, they will accrue additional value for the NEOs; if the share price does not appreciate, these incentives will accrue no value to the NEOs.

The material discrepancy between the Reported Option Based awards and the Realizable Option Based awards in the last six years reflects the out of the money status of the vast majority of options in the current year. With the exception of 2016 and 2021, there have been no stock options exercised by NEOs in the last five years resulting in a material difference between the Reported amount and the Exercised and the Realizable amount. The net impact to shareholders over this time has been near-zero dilution from stock options as the options have either been out of the money and/or have yet to vest.

The relatively high percentage of at-risk compensation for the NEOs, of which Option Based awards represent the majority, allow the Corporation to compensate its NEOs such that value actually received is ultimately aligned with returns to shareholders.



Option Based Awards (\$)	2016	2017	2018	2019	2020	2021
Reported	280,000	2,064,000	705,280	935,286	661,662	827,223
Exercised	320,100	-	-	-	-	20,000
Realizable	-	-	-	-	142,500	302,500

Notes:

- (1) Reported Option Based Awards are the value of option based awards for the NEOs based on the Black-Scholes option pricing model for stock options granted in the year as reported in the Summary Compensation Table.
- (2) Exercised Option Based Awards is the difference between the exercise price of the options and the closing price on the date of exercise for options exercised by the NEOs in the year.
- (3) Realizable Option Based Awards is the value of unexercised in the money options based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2021 of \$0.23. The amount at December 31, 2021 is reported in the year the options were granted to illustrate the realizable value relative to the reported value.

Option-Based Awards

The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the performance of the executive officers, the number of stock options available for grant under the Stock Option Plan, the number of stock options anticipated to be required to meet the future needs of the Corporation, as well as the number of stock options previously granted to each of the Named Executive Officers. It is the entire Board, as opposed to the ESG, Compensation, Corporate Governance and Nominating Committee, which determines the need for any amendments to the Stock Option Plan and it is the entire Board, based on the recommendation of the Compensation, Corporate Governance and Nominating Committee, which determines the number of stock option grants to be made under the Stock Option Plan. The CEO provides input and recommendations to the Board regarding the granting of stock options, from time to time. The CEO, in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. Other than as set out immediately above, the grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

During the last three years, stock options were awarded to the Named Executive Officers as part of the usual practice of making annual awards.

Compensation Governance

The policies and practices adopted by the Board to determine the compensation of the Corporation's executive officers and directors is described under "**Statement of Executive Compensation – Compensation Discussion and Analysis**" and "**Statement of Executive Compensation – Director Compensation**", respectively.

The ESG, Compensation, Corporate Governance and Nominating Committee is currently comprised of two independent directors, being Ms. Fontaine and Mr. Tonnessen. The skills and experience of each of the Compensation, Corporate Governance and Nominating Committee members in executive compensation that is relevant to his responsibilities and the making of decisions on the suitability of the Corporation's compensation policies and practices is as follows:

Member	Independent	Skills and Experience
Bjorn Inge Tonnessen, Chair	Yes	An independent businessman, Mr. Tonnessen is the former Chief Executive Officer of Edge Petroleum, a private exploration and production company focused on the Norwegian Continental Shelf from June 2017 to March 2021. From June 2012 to May 2017, he was President and Chief Executive Officer of Spike Exploration, a private Norwegian exploration and production company.
Mireille Fontaine	Yes	Partner, BCF Business Law since 2016. Ms. Fontaine is co-head of the firm's Corporate Finance and Foreign Investments and International Growth groups. She has over 25 years' experience in mergers and acquisitions and commercial law.

The ESG, Compensation, Corporate Governance and Nominating Committee's mandate is to prepare policies and make recommendations to the Board regarding: (i) compensation policies and guidelines for senior officers, as well as supervisory and management personnel of the Corporation and its subsidiaries; (ii) corporate benefits; (iii) incentive plans, including bonus plans; (iv) the evaluation of the performance and compensation of the CEO and other senior management; (v) the granting of stock options to members of the Board, management and employees of the Corporation; (vi) compensation levels for members of the Board and Committees; (vii) succession plans for the CEO and for key employees of the Corporation; and (viii) material changes in human resources policy, procedure, remuneration and benefits.

Summary Compensation

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Corporation for the three most recently completed financial years. The following table sets forth, for each Named Executive Officer of the Corporation, for the financial years ended December 31, 2021, 2020 and 2019, a summary of total compensation:

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plans ⁽³⁾ (\$)		Pension Value (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Michael Binnion, President and Chief Executive Officer ⁽⁴⁾	2021	257,600	Nil	259,789	40,250	Nil	Nil	Nil	557,639
	2020	273,700	Nil	208,946	Nil	Nil	Nil	Nil	482,646
	2019	324,500	Nil	295,353	26,800	Nil	Nil	Nil	646,653
Jason D'Silva, Chief Financial Officer	2021	176,000	Nil	177,750	27,500	Nil	Nil	12,000	393,250
	2020	187,000	Nil	139,297	Nil	Nil	Nil	Nil	326,294
	2019	217,500	Nil	196,902	44,000	Nil	Nil	Nil	458,402
Peter Coldham, Vice President, Engineering	2021	106,667	Nil	129,894	18,750	Nil	Nil	8,000	263,311
	2020	170,000	Nil	104,473	Nil	Nil	Nil	Nil	274,473
	2019	200,000	Nil	147,677	16,700	Nil	Nil	Nil	364,377

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plans ⁽³⁾ (\$)		Pension Value (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Rick Tityk, Vice President, Land	2021	152,000	Nil	129,894	23,750	Nil	Nil	8,000	313,644
	2020	161,500	Nil	104,473	Nil	Nil	Nil	Nil	265,973
	2019	188,750	Nil	147,677	42,000	Nil	Nil	Nil	378,427
John Brodylo, Vice President, Exploration	2021	152,000	Nil	129,894	23,750	Nil	Nil	8,000	313,644
	2020	161,500	Nil	104,473	Nil	Nil	Nil	Nil	265,973
	2019	188,750	Nil	147,677	15,800	Nil	Nil	Nil	352,227

Notes:

- (1) Each of the Named Executive Officers is a party to an executive employment agreement with the Corporation. See the section herein entitled "Termination and Change of Control Benefits."
- (2) The value of the option-based awards represents the value calculated using the Black-Scholes option pricing model of stock options granted during the year. The option grant values reflect assumptions for expected life, volatility, risk-free interest and forfeiture rate. The aggregate number of options held by each of the Named Executive Officers, including the number of options granted to each Named Executive Officer during the financial year ended December 31, 2021, is set out in the table under the heading entitled "Incentive Plan Awards". The Black-Scholes option pricing model values and assumptions used by the Corporation are listed below.

	2021	2020	2019
Fair Value (\$)	0.14	0.14	0.29
Risk Free Rate (%)	0.42	1.31	1.85
Expected Life (years)	5.00	5.00	5.00
Expected Volatility (%)	104.47	90.43	85.98
Expected Forfeiture Rate	11.02	11.57	12.60

- (3) In 2021, \$0.13 million was earned by the Named Executive Officers under the Bonus Plan and paid in the first quarter of 2022. In 2020, no amounts were earned by the Named Executive Officers under the Bonus Plan. In 2019, \$0.19 million was earned by the Named Executive Officers under the Bonus Plan and paid in the first quarter of 2020.
- (4) In 2021, \$0.04 million was paid to the Named Executive Officers on the cash settlement of 1.8 million expiring options representing the difference between the exercise and market price on the date of the settlement.
- (5) Mr. Binnion also serves as a director of the Corporation. All of the compensation paid to Mr. Binnion relates to his position as a Named Executive Officer and none of the compensation paid to Mr. Binnion relates to his role as a director.

Incentive Plan Awards*Outstanding Option-Based Awards*

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2021 to the Named Executive Officers of the Corporation. The Corporation has not granted any share-based awards.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Michael Binnion, President and Chief Executive Officer	1,900,000	0.18	January 25, 2026	95,000
	1,500,000	0.20	February 3, 2025	45,000
	1,500,000	0.29	February 4, 2024	-
	684,000	0.48	July 31, 2023	-
	2,000,000	0.69	April 18, 2022	-
Jason D'Silva, Chief Financial Officer	1,300,000	0.18	January 25, 2026	65,000
	1,000,000	0.20	February 3, 2025	30,000
	1,000,000	0.29	February 4, 2024	-
	400,000	0.48	July 31, 2023	-
	1,000,000	0.69	April 18, 2022	-
Peter Coldham, Vice President, Engineering & Operations	950,000	0.18	January 25, 2026	47,500
	750,000	0.20	February 3, 2025	22,500
	750,000	0.29	February 4, 2024	-
	400,000	0.48	July 31, 2023	-
	600,000	0.69	April 18, 2022	-
Rick Tityk, Vice President, Land	950,000	0.18	January 25, 2026	47,500
	750,000	0.20	February 3, 2025	22,500
	750,000	0.29	February 4, 2024	-
	360,000	0.48	July 31, 2023	-
	600,000	0.69	April 18, 2022	-
John Brodylo, Vice President, Exploration	950,000	0.18	January 25, 2026	47,500
	750,000	0.20	February 3, 2025	22,500
	750,000	0.29	February 4, 2024	-
	360,000	0.48	July 31, 2023	-
	600,000	0.69	April 18, 2022	-

Note:

(1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2021 of \$0.23.

Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2021 of option-based awards for Named Executive Officers of the Corporation if the options under the option-based award had been exercised on the vesting date.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Binnion, President and Chief Executive Officer	1,583	Nil
Jason D'Silva, Chief Financial Officer	1,083	Nil
Peter Coldham Vice President, Engineering & Operations	792	Nil
Rick Tityk, Vice President, Land	792	Nil
John Brodylo Vice President, Exploration	792	Nil

Note:

(1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on the vesting date of the options.

Pension Plan Benefits

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement. The Corporation does not have a deferred compensation plan.

Termination and Change of Control Benefits

Other than as described herein, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Corporation or a change in the Named Executive Officer's responsibilities.

The Corporation has entered into written executive employment agreements with each of the Named Executive Officers of the Corporation. Each of these written agreements provides that in the event of a change of control of the Corporation, or a termination without just cause, each of the Named Executive Officers is entitled to eighteen months of the applicable base salary for Named Executive Officers excluding the Chief Executive Officer and twenty four months of the applicable base salary for the Chief Executive Officers.

The written agreements provide that the Named Executive Officers shall provide the Corporation with thirty to ninety days' notice of the termination of their employment. The written agreements also provide that the Corporation shall reimburse the Named Executive Officers for all reasonable business expenses incurred in the performance of his duties on behalf of the Corporation. The written agreements further provide that the Named Executive Officers will not, for a period of eighteen months after the effective date of their termination of employment, solicit any employees of the Corporation to become an employee of any enterprise that competes with the Corporation. The estimated incremental payments, payables and benefits which might be paid by the Corporation for the five Named Executive Officers of the Corporation, assuming a change of control or termination without just cause occurred on the last business day of the most recently completed financial year of the Corporation, would be, in aggregate, approximately \$1.84 million.

The Stock Option Plan provides that in the event of a change of control, all unexercised and unvested outstanding stock options issued shall immediately vest and be exercisable. If an Offer is made but not completed, the Optioned Shares issued in connection therewith shall be returned by the optionee to the Corporation in exchange for the exercise price therefor and the options shall be reinstated on the same terms.

Estimated Incremental Payments and Benefits as of December 31, 2021

The following table sets forth the estimated incremental payments and benefits that would be received by Named Executive Officers following a “change of control” of the Corporation, had such event occurred on December 31, 2021.

Name	Employment Agreements ⁽¹⁾ (\$)	Stock Option Plan ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	Total (\$)
Michael Binnion, President and Chief Executive	644,000	140,000	Nil	Nil	784,000
Jason D'Silva, Chief Financial Officer	330,000	95,000	Nil	Nil	425,000
Peter Coldham, Vice President, Engineering	300,000	70,000	Nil	Nil	370,000
Rick Tityk, Vice President, Land	285,000	70,000	Nil	Nil	355,000
John Brodylo Vice President, Exploration	285,000	70,000	Nil	Nil	355,000

Notes:

- (1) As provided in the employment agreement with each of the relevant Named Executive Officers assuming a change of control, change of responsibilities, termination without just cause or such other events as further described above, on December 31, 2021.
- (2) As provided for in the Plan, assuming a change of control on December 31, 2021 with all unvested stock options held by Named Executive Officers vesting and becoming immediately exercisable. Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the Exchange on December 31, 2021, being the last trading day in the Corporation's fiscal year ended December 31, 2021, of \$0.23.

Director Compensation

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the Corporation's financial year ended December 31, 2021.

Name ⁽¹⁾	Fees earned (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Mireille Fontaine	34,400	Nil	34,183	Nil	Nil	Nil	68,583
Hans Jacob Holden	44,200	Nil	34,183	Nil	Nil	Nil	78,383
Dennis Sykora	44,200	Nil	34,183	Nil	Nil	Nil	78,383
Bjorn Inge Tonnessen	69,050	Nil	54,692	Nil	Nil	Nil	123,742

Notes:

- (1) Compensation information for Michael R. Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Summary Compensation Table".
- (2) The following table sets forth the fees payable to directors of the Corporation in 2021 for annual retainers, committee memberships and attendance at Board meetings. In April 2020, the Board implemented a 20% reduction in the fees payable for annual retainers, committee memberships and attendance at Board meetings. The reduction remains in effect as of the date of the Information Circular.

Annual Retainer	
Chairman	\$48,000
Director	\$24,000
Committee Membership	
Chair	\$4,800
Member	\$2,400
Attendance per Board meeting	
In Person or via teleconference	\$1,000

- (3) The value of the option-based awards represents the value calculated using the Black-Scholes option pricing model of stock options granted during the year. The option grant values reflect assumptions for expected life, volatility, risk-free interest and forfeiture rate. For the Black-Scholes option pricing model assumptions used by the Corporation, please refer to Note (2) under the Summary Compensation table for the Named Executive Officers. The aggregate number of options held by each of the directors of the Corporation, including the number of options granted to each director of the Corporation during the financial year ended December 31, 2021, is set out in the table under the heading entitled "Outstanding Option-Based Awards".

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the Corporation's financial year ended December 31, 2021 to the directors of the Corporation. The Corporation has not granted any share-based awards.

Name ⁽¹⁾	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Mireille Fontaine ⁽³⁾	250,000	0.18	January 25, 2026	12,500
	250,000	0.15	June 9, 2025	20,000
Hans Jacob Holden	250,000	0.18	January 25, 2026	12,500
	150,000	0.20	February 3, 2025	4,500
	100,000	0.29	February 4, 2024	-
	88,500	0.48	July 31, 2023	-
	350,000	0.69	April 18, 2022	-
Dennis Sykora	250,000	0.18	January 25, 2026	12,500
	150,000	0.20	February 3, 2025	4,500
	100,000	0.29	February 4, 2024	-
	103,500	0.48	July 31, 2023	-
	200,000	0.69	April 18, 2022	-
Bjorn Inge Tonnessen	400,000	0.18	January 25, 2026	20,000
	250,000	0.20	February 3, 2025	7,500
	150,000	0.29	February 4, 2024	-
	147,000	0.48	July 31, 2023	-
	400,000	0.69	April 18, 2022	-

Notes:

- (1) Compensation information for Michael Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Incentive Plan Awards".
- (2) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX as of December 31, 2021 of \$0.23.

Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2021 of option-based awards for directors of the Corporation if the options under the option-based awards had been exercised on the vesting date.

Name ⁽¹⁾	Option-based awards Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Mireille Fontaine	2,708	Nil
Dennis Sykora	208	Nil
Hans Jacob Holden	208	Nil
Bjorn Inge Tonnessen	333	Nil

Notes:

- (1) Compensation information for Michael R. Binnion, President, CEO and a director of the Corporation has been previously provided herein under the section entitled "Incentive Plan Awards".
- (2) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on the vesting date of the options.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides details as at December 31, 2021 with respect to all compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected herein)
Equity compensation plans approved by security holders ⁽¹⁾	30,307,500	\$0.35/share	12,444,084
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	30,307,500	\$0.35/share	12,444,084

Note:

- (1) The Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to stock options issued and outstanding under the Stock Option Plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares at the time of the grant of any stock option. As at December 31, 2021, 427,515,836 Common Shares were issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former executive officer, director or employee of the Corporation, or any proposed nominee for election as a director or any associate of any such director, officer or employee or proposed nominee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F1 with respect to the matters set out under National Policy 58-201 *Corporate Governance Guidelines*.

1. Board of Directors

Questerre's Board, which has the statutory responsibility to oversee the conduct of the business of the Corporation and to supervise management, who are responsible for the daily conduct of the business of the Corporation, is comprised of five directors, of which four are independent and accordingly a majority of the directors are independent. The independent directors are Mireille

Fontaine, Hans Jacob Holden, Dennis Sykora, and Bjorn Inge Tonnessen. The CEO of the Corporation, Michael Binnion, is not independent by virtue of being an executive officer of the Corporation.

Mr. Binnion is presently a director of the following reporting issuers: Rupert's Crossing Capital Inc. and High Arctic Energy Services Inc. Mr. Sykora is also a director of Dominion Lending Centres Inc.

During the year ended December 31, 2021, the independent directors of the Corporation regularly met without members of Management present for a portion of regularly scheduled Board meetings. In order to provide leadership for the independent directors, the Board encourages communication among the independent directors. Mr. Tonnessen has been appointed as Chairman to provide leadership to the directors, manage the affairs of the Board and ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman presides at each meeting of the Board and is responsible for coordinating with management and the corporate secretary to ensure that documents are delivered to directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for the Board's consideration at meetings, and that the Board has an appropriate opportunity to discuss issues at each meeting. The Chairman is responsible for communicating with each Board member, ensuring that each director has the opportunity to be heard, that each director is accountable to the Board, and that the Board and each Committee is discharging its duties. The Chairman is also responsible for organizing the Board to function independently of management and arranges for the independent directors, from time to time, to meet without non-independent directors and management present. Most importantly, the Chairman is the Board's role model for responsible, ethical and effective decision-making.

2. Board Mandate

The text of the Board's written mandate (the "**Board Mandate**") is attached hereto as Schedule "A".

3. Position Descriptions

The Board has developed written position descriptions for the chair of the Board and for the chair of each Board committee. The Board together with the CEO has developed a written position description for the CEO the text of which is available from the Corporation on request.

As of the date of this circular, the Board has established the following Board committees comprised of the members and chaired by the individuals set out in the following table:

Committee	Members	Independent
Audit Committee	Dennis Sykora - Chair Hans Jacob Holden Bjorn Tonnessen	Yes Yes Yes
ESG, Compensation, Corporate Governance and Nominating Committee	Bjorn Inge Tonnessen- Chair Mireille Fontaine	Yes Yes
Reserves Committee	Hans Jacob Holden - Chair Dennis Sykora Bjorn Inge Tonnessen	Yes Yes Yes

Attendance

The following table sets forth the attendance during 2021 of each director at meetings of the Board and, as applicable, the attendance of members of the committees of the Board at committee meetings:

Director	Board	Audit Committee	ESG, Compensation, Corporate Governance & Nominating Committee	Reserves Committee
Michael Binnion	7/7	-	-	-
Mireille Fontaine	6/7	-	1/1	-
Hans Jacob Holden	7/7	4/4	-	1/1
Dennis Sykora	7/7	4/4	-	1/1
Bjorn Inge Tonnessen	7/7	4/4	1/1	1/1

4. Orientation and Continuing Education

The Corporation has developed an orientation program for new directors as set out in the Corporation's director's manual ("**Director's Manual**") which contains information regarding the roles and responsibilities of the Board, each Board committee, the Board chair, the chair of each Board committee and the CEO of the Corporation. The Director's Manual contains information regarding the nature and operation of the Corporation's business, its organizational structure, governance policies including the Board Mandate and each Board committee mandate, and the Corporation's code of business conduct and ethics. The Director's Manual is to be updated as the Corporation's business, governance documents and policies change. The Corporation arranges for presentations to be made to the Board to inform directors regarding corporate developments and changes in legal, regulatory and industry requirements affecting the Corporation. As well, directors are encouraged to visit the Corporation's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation.

5. Ethical Business Conduct

The Corporation has adopted a Code of Conduct Policy (the "**Code**") in written form containing the conduct expectations and ethical obligations of the Corporation's directors, officers, management, employees, consultants and agents. The Board takes reasonable steps to monitor compliance with the Code and all of the Corporation's employees were required to sign an acknowledgement that they have read, understood and will comply with the Code and the Respectful Workplace Policy. The Code encourages all parties who engage in business with the Corporation to contact the Corporation regarding any perceived and all actual breaches by the Corporation's directors, officers and employees of the Code. The Board is responsible for investigating complaints and developing a plan for promptly and fairly resolving complaints. The Code prohibits retaliation by the Corporation, its directors, executive officers and management, against complainants who raise concerns in good faith and requires the Corporation to maintain the confidentiality of complainants to the greatest extent practicable. Complainants may also submit their concerns anonymously in writing.

In addition to the Code, the Corporation has an Audit Committee Charter regarding the collection and dissemination of accounting information, a Whistleblower Protection Policy with respect to reporting accounting and auditing irregularities, and a Respectful Workplace Policy, copies of which are available on the Corporation's website at www.questerre.com.

Since the beginning of the Corporation's most recently completed financial year, no material change reports have been filed that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

Exercise of Independent Judgment

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and are expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The Board is required to satisfy itself that the CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Corporation.

The Board is responsible for reviewing departures from the Code by executive officers, management, employees and consultants, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. The Board is also responsible for responding to conflict of interest situations involving directors, particularly with respect to existing or proposed transactions and agreements in respect of which directors advise they have a material interest.

Conflicts of Interest

The Corporation's directors and officers abide by the disclosure of conflict of interest provisions contained in the *Business Corporations Act (Alberta)* and in the Code. By taking these steps the Board strives to ensure that directors at Board meetings exercise independent judgment, unclouded by the relationships of the directors and officers to each other and the Corporation, in considering transactions and agreements in respect of which directors and executive officers have an interest.

6. Nomination of Directors and Corporate Governance

The ESG, Compensation, Corporate Governance & Nominating Committee is comprised entirely of independent directors and is required to monitor the succession of Board members, identify suitable candidates for nomination to the Board, and recommend nominees to the Board for election at Annual Meetings of the Corporation. The ESG, Compensation, Corporate Governance & Nominating Committee passively searches for suitable nominees to join the Board. The mandate of the ESG, Compensation, Corporate Governance & Nominating Committee is available on the Corporation's website at www.questerre.com.

In addition to the duties relating to the succession and nomination of Board members set forth above, the function of the ESG, Compensation, Corporate Governance & Nominating Committee is to recommend governance policies for adoption by the Corporation, including the Code, Respectful Workplace Policy and other policies, and to amend, administer and monitor compliance with the Corporation's governance policies and Code. All of the Corporation's employees are required to

sign an acknowledgment that they have read, understood and will comply with the Code and the Respectful Workplace Policy.

7. ESG, Compensation, Corporate Governance and Nominating Committee

The ESG, Compensation, Corporate Governance & Nominating Committee annually recommends the compensation to be received by the Corporation's executive officers and directors. This Committee is comprised entirely of independent directors. Compensation is determined in the context of the Corporation's goals, shareholder returns and other achievements, and considered in the context of position descriptions, goals and the performance of each individual director and officer. The Committee also makes recommendations with respect to directors' compensation, reviewing the level and form of compensation received by directors, members of each Committee, and the Chairman of the Board and each Committee, considering the duties and responsibilities of each member, his or her past service and continuing duties in service to the Corporation. The compensation of directors, the CEO, executive officers and management of competitors are considered, to the extent publicly available, in determining compensation and the Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation. See also "Compensation Governance".

8. Reserves Committee

Other than the Audit Committee and the ESG, Compensation, Corporate Governance & Nominating Committee, the only other standing committee of the Board is the Reserves Committee.

The function of the Reserves Committee is to recommend the engagement of a reserves evaluator, ensure the reserve evaluator's independence, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually assess the work of the reserves evaluator and approve the Corporation's annual reserve report and consent forms of management and the reserves evaluator thereto. The mandate of the Reserves Committee is available on the Corporation's website at www.questerre.com.

9. Assessments

The Board is responsible for conducting an annual evaluation and assessment of the performance, contribution and effectiveness of individual directors and the Board as a whole. The evaluation and review includes a Board questionnaire which asks directors to identify their own skills, their contributions to the Board and to Committees of the Board. The results of the annual review are submitted to the Chairman and the results are discussed with the Board in order to make improvements in Board effectiveness.

10. Director Term Limits and other Mechanisms of Board Renewal

The Board has not adopted term limits for the directors on the Board or other mechanisms of Board renewal. Instead, the ESG, Compensation, Corporate Governance & Nominating Committee have the mandate and responsibility to ensure that a process is in place for the annual assessment of the composition, skills, size and tenure of the Board in advance of Annual Meetings and whenever individual directors indicate that their status may change. This committee also considers new members for nomination to the Board while taking into account potential nominees' independence, financial acumen, skills and available time to devote to the duties of the Board. Through this annual

assessment process, such committee determines whether an individual director is able to continue to make an effective contribution. The Board is of the view that such annual review process is more effective than terms limits or other mechanisms of Board renewal such as a mandatory retirement age.

11. Policies Regarding the Representation of Women on the Board

The Board has not adopted a written policy relating to the identification and nomination of women directors. The Board annually assesses the composition, skill, size and tenure of the Board members and considers the individual qualifications of nominees to the Board by assessing the anticipated skills required to round out the capabilities of the Board, including their independence, knowledge, financial acumen, skills, diversity, and available time to devote to the duties of the Board.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

The ESG, Compensation, Corporate Governance & Nominating Committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. The Board annually assesses the composition, skill, size and tenure of the Board members and considers nominees to the Board by assessing their independence, knowledge, financial acumen, skills, diversity, and available time to devote to the duties of the Board.

Consideration Given to the Representation of Women in Executive Officer Appointments

The Board considers the level of representation of women in executive officer positions when making executive officer appointments. Questerre is committed to the fundamental principles of equal employment opportunities which are prescribed in its policies which further provide for Questerre's commitment to treating people with respect and dignity. Questerre offers equal employment opportunities based upon an individual's qualifications and performance and selects candidates based on the primary considerations of experience, skill and ability.

Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Questerre has not adopted a target regarding women on its Board. In its annual assessment of the Board and potential nominees to the Board, the Compensation, Corporate Governance & Nominating Committee focuses on the current Board composition, skills, size and tenure of the Board members.

Questerre has not adopted a target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on the primary considerations of experience, skill and ability.

Number of Women on the Board and in Executive Officer Positions

As at the date hereof, Questerre has one woman on its Board (20%) and one member of the executive management of Questerre is a woman (16%).

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as described in this Management Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Corporation.

AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees*, the Corporation is required to include in its Annual Information Form ("AIF") the disclosure required under Form 52-110F1 with respect to its Audit Committee, including the text of its Audit Committee charter, the composition of the Audit Committee and the fees paid to the external auditor and to include in its management information circular a cross-reference to the sections in the AIF that contain the required information. Questerre's disclosure with respect to the foregoing is contained in the section of the AIF dated March 25, 2022 entitled "Audit Committee". The AIF is available under the Corporation's profile on SEDAR at www.sedar.com.

MATTERS TO BE ACTED UPON AT MEETING

1. Financial Statements and Auditors' Report

At the Meeting, shareholders will receive the financial statements of the Corporation for the year ended December 31, 2021 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

2. Fixing Number of Directors to be Elected at the Meeting

The Corporation is required to have a minimum of three and a maximum of eleven directors. The Board presently consists of five directors, each of whose term expires at the Meeting. At the Meeting, shareholders will be asked to fix the number of directors to be elected at the Meeting at five.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five. In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at six must be passed by a majority of the votes cast by shareholders who vote in respect of this ordinary resolution.

3. Election of Directors

At the Meeting it is proposed that five directors be elected to hold office until the next Annual Meeting or until their successors are elected or appointed. There are presently five directors of the Corporation, the term of each of which expires at the Meeting.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of the election as directors of the five nominees hereinafter set forth. Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the accompanying form of proxy that such shareholder's Common Shares are to be withheld from voting on the election of directors. Subject to the Corporation's majority voting policy (described below under the heading "*Majority Voting For Directors*"), each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or with the provisions of the Alberta *Business Corporations Act*.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, their province and country of residence, their principal occupation, the period served as a director and the number of voting Common Shares that each proposed nominee beneficially owns, or exercises control or direction over, directly or indirectly, as of the Record Date. The information as to Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

Name and Province and Country of Residence	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾	Director Since	Principal Occupation
Michael Binnion ⁽²⁾ Alberta, Canada	19,230,091	November 2000	President, Chief Executive Officer and director of the Corporation since 2000.
Mireille Fontaine ⁽⁵⁾ Quebec, Canada	Nil	June 2020	Partner, BCF Business Law, a Quebec based business law firm since 2016.
Hans Jacob Holden ⁽³⁾⁽⁴⁾ Oslo, Norway	25,000	April 2017	Independent businessman. Business Development at AF Gruppen, a Norwegian contracting and industrial group from January 2018 to March 2022. Prior thereto, Director, Seatankers Group, a private investment company from January to November 2017. From 2004 to 2016, corporate finance at Pareto Securities AS, a Norwegian based brokerage firm.
Dennis Sykora ⁽³⁾⁽⁴⁾ Alberta, Canada	443,750	March 2013	Independent businessman. From 2007 to 2014, served as an Executive of High Arctic Energy Services Inc. including Executive Vice President, General Counsel and Chief Executive Officer.

Name and Province and Country of Residence	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾	Director Since	Principal Occupation
Bjorn Tonnesen ⁽³⁾⁽⁴⁾⁽⁵⁾ Oslo, Norway	45,482	November 2007	Independent businessman. Former President and CEO of Edge Petroleum, a private Norwegian exploration and production company from June 2017 to March 2021. President and Chief Executive Officer of Spike Exploration, a private Norwegian exploration and production company from June 2012 to May 2017.

Notes:

- (1) In addition to the Common Shares beneficially owned, controlled or directed, directly or indirectly, the nominees for directors hold stock options to acquire an aggregate of up to 11,173,000 Common Shares.
- (2) 4,786,464 Common Shares are held by Rupert's Crossing, an investment corporation controlled by Mr. Binnion, 1,964,980 Common Shares are held by Rupert's Crossing Ltd., a private investment corporation controlled by Mr. Binnion and 906,420 Common Shares are held by Rupert's Developments Ltd., a private investment corporation controlled by Mr. Binnion.
- (3) Member of the Audit Committee.
- (4) Member of the Reserves Committee.
- (5) Member of the ESG, Compensation, Corporate Governance & Nominating Committee.
- (6) The directors as a group, own, control or exercise direction over 19,786,841 Common Shares representing 4.61% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Management Information Circular has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under securities legislation that lasted for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of management of the Corporation, no proposed director of the Corporation:

- (a) is, at the date of this Management Information Circular or has been within the 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of management of the Corporation, no proposed director of the Corporation has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with the securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a majority voting policy for the election of directors. Under such policy, in the event that any nominee for election receives more “withheld” votes than “for” votes at any meeting at which shareholders vote on the uncontested election of directors, the nominee shall forthwith submit his or her resignation to take effect immediately upon acceptance by the Board.

Upon receipt of such a conditional resignation, the ESG, Compensation, Corporate Governance & Nominating Committee shall consider the matter and, as soon as possible, make a recommendation to the full Board regarding whether or not such resignation should be accepted. In the absence of exceptional circumstances, the Board expects the ESG, Compensation, Corporate Governance & Nominating Committee will recommend accepting such resignation. After considering the recommendation of the ESG, Compensation, Corporate Governance & Nominating Committee, the Board shall decide whether or not to accept the tendered resignation and shall, not later than 90 days after the relevant shareholders’ meeting, promptly issue a press release regarding such decision which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept such resignation. The director tendering his or her resignation will not participate in any meeting of the ESG, Compensation, Corporate Governance & Nominating Committee or any meeting of the Board which considers the resignation.

Subject to any restrictions or requirements contained in applicable corporate law or Questerre’s constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next annual meeting of shareholders; (b) appoint a replacement director whom the Board considers merits the confidence of the shareholders; or (c) call a special meeting of shareholders to elect a replacement director nominated by management.

Advance Notice Policy

The Corporation’s Advance Notice Policy provides shareholders, directors and management of the Corporation with a clear framework for nominating Directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special

meeting of shareholders. In the case of an annual general meeting of shareholders, notice to the Corporation must be made not less than 40 nor more than 75 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy. The full text of the Advance Notice Policy is available upon request to the Corporation.

4. Appointment of Auditors

Ernst & Young LLP, Chartered Professional Accountants, of Calgary, Alberta are the auditors of the Corporation and have been the auditors of the Corporation since 2021.

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing Ernst & Young LLP, Chartered Professional Accountants, to serve as auditors of the Corporation to hold office until the close of the next Annual Meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote in favour of an ordinary resolution to appoint the firm of Ernst & Young LLP, Chartered Professional Accountants, to serve as auditors of the Corporation to hold office until the close of the next Annual Meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

5. Approval of Shareholder Rights Plan Agreement

The Corporation originally adopted a shareholder rights plan between the Corporation and Computershare, as rights agent, dated effective as of April 30, 2009. The rights plan was approved by the shareholders on June 9, 2009. Subsequently, in 2013 the Corporation adopted a new shareholder rights plan which was approved at the annual shareholder meeting held in 2013. In 2016, the rights plan was amended and restated to reflect the amendments to the Canadian take-over bid regime adopted by the Canadian Securities Administrators. In 2019, the Corporation further amended the plan (the “**Shareholder Rights Plan**”) which was approved at the annual shareholder meeting held during that year.

Pursuant to its terms, the Shareholder Rights Plan will expire upon the termination of the Meeting, unless its continuation is confirmed by the shareholders in accordance with its provisions. Management of the Corporation has reviewed the terms of the Shareholder Rights Plan for conformity with current Canadian securities laws, as well as practices of public corporations in Canada. The Board has determined that it is in the best interests of the shareholders that the Shareholder Rights Plan be approved to continue for the next three years.

The following are the proposed amendments to the Shareholder Rights Plan:

1. updating the definition of “Expiration Time” and thereby extending the Expiration Time of the Shareholder Rights Plan for an additional three (3) years; and
2. certain other amendments of a non-substantive, "housekeeping" nature have been made to provide for greater clarity and consistency and to ensure the Shareholders Rights Plan is current in respect of practices of public corporations in Canada.

The Shareholder Rights Plan encourages a potential acquiror to proceed with their bid in accordance with Canadian takeover bid rules, which requires that the bid satisfy certain minimum standards intended to promote fairness, or have the approval of the Board, by:

- protecting against “creeping bids” (the accumulation of more than 20% of the Common Shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of Common Shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Shareholder Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, the Board wants to allow all shareholders to benefit from the acquisition of a control position of 20% or more of the Common Shares, and allow the Board to have sufficient time to explore and develop all options for maximizing shareholder value in the event a person tries to acquire a control position in the Corporation. Under the Shareholder Rights Plan, potential acquirors are prevented from accumulating effective control of the Corporation or a blocking position against other bidders except by way of a Permitted Bid (as defined in the Shareholder Rights Plan).

A copy of the Shareholder Rights Plan approved by shareholders in 2019 is available under the Corporation’s SEDAR profile at www.sedar.com and a copy of the Shareholder Rights Plan to be approved at the Meeting may be obtained from the Corporation and will be available on the Corporation’s website at www.questerre.com.

Resolution to Approve the Shareholder Rights Plan

The complete text of the proposed ordinary resolution of shareholders (the “**Shareholder Rights Plan Approval Resolution**”) which management intends to place before the Meeting for the approval, adoption and ratification is set out below.

“BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of the Corporation that:

1. the shareholder rights plan (“**Rights Plan**”) of Questerre Energy Corporation (the “**Corporation**”), be confirmed, and the Amended and Restated Rights Agreement to be dated as of May 9, 2022 between the Corporation and Computershare Trust Company of Canada, which amends and restates the Rights Agreement dated as of May 14, 2013, as amended and restated on May 17, 2016 and as amended and restated on May 16, 2019, and continues the rights issuer thereunder, be and is hereby approved, ratified and confirmed;

2. even though this resolution has been duly passed by the shareholders of the Corporation, the board of directors of the Corporation may amend or decide not to proceed with the Rights Plan in the event the board of directors determines that to do so would be in the best interest of the Corporation and its shareholders; and;
3. any one director or officer of the Corporation is authorized, for and on behalf of the Corporation, to execute and deliver any document and take any action the director or officer determines is necessary or advisable to implement this resolution and the matters authorized hereby, and the execution and delivery of the documents or taking of the actions will conclusively evidence the officer's or director's determination."

The resolution must be passed by a majority of the votes cast by the shareholders who vote at the Meeting. If the resolution is not approved by shareholders, the Shareholder Rights Plan will not become effective, and the Corporation will not have any form of shareholder rights plan. It is the intention of the persons named in the enclosed form or proxy to vote FOR the approval of the Shareholder Rights Plan Approval unless otherwise directed. **If approved by the Shareholders at the Meeting, the Shareholder Rights Plan is required to be reconfirmed again by Shareholders at the 2025 Annual Meeting of Shareholders of the Corporation.**

MANAGEMENT CONTRACTS

At no time since the start of the Corporation's most recently completed financial year were management functions of the Corporation or its subsidiaries performed to any substantial degree by a person other than the directors or executive officers of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. Financial information relating to Questerre is provided in the Corporation's financial statements and management's discussion and analysis ("MD&A") for the financial year ended December 31, 2021. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Suite 1650 - 801 Sixth Avenue S.W., Calgary, Alberta, Canada T2P 3W2; or (ii) fax to (403) 777-1578.

SCHEDULE "A"

QUESTERRE ENERGY CORPORATION

(THE "CORPORATION")

BOARD MANDATE

(National Policy 58-201 *Corporate Governance Guidelines*)

1. The Board of Directors of the Corporation ("**Board**") is responsible for:
 - (a) stewardship of the Corporation;
 - (b) supervising the management of the business and affairs of the Corporation; and
 - (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making.

2. The Board has the responsibility to:
 - (a) act honestly and in good faith with a view to the best interests of the Corporation;
 - (b) exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances; and
 - (c) direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.

3. A majority of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.

4. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings, their personal affairs and in the discharge of their duties to and on behalf of the Corporation.

5. The Board is responsible to:
 - (a) meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
 - (b) review all board materials provided in advance of each Board meeting;
 - (c) hold meetings of the independent directors without management and non-independent directors present; and
 - (d) comply with the position description applicable to individual directors.

6. The Board is responsible to annually select a member of the Board, who is independent as defined in then current laws applicable to the Corporation, to serve as Board chair.

7. The Board chair shall:
 - (a) provide leadership to the directors;
 - (b) manage the affairs of the Board; and
 - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

8. The Board is responsible to:
 - (a) establish such committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
 - (b) appoint directors to serve as members of each committee;
 - (c) appoint a chair of each committee to:

- (i) provide leadership to the committee;
 - (ii) manage the affairs of the committee; and
 - (iii) ensure that the committee functions effectively in fulfilling its duties to the Board and the Corporation; and
- (d) regularly receive and consider reports and recommendations of each committee, in particular:
- (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit; and
 - (ii) Compensation, Corporate Governance and Nominating Committee recommendations regarding corporate goals and objectives, Board assessments and compensation.
9. The Board is responsible to:
- (a) select and appoint the Chief Executive Officer (the "CEO") and with the assistance of the Compensation, Corporate Governance and Nominating Committee, establish CEO goals and objectives and evaluate CEO performance;
 - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance;
 - (c) maintain a succession plan for the replacement of the CEO and other executive officers; and
 - (d) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
10. The Board is responsible to:
- (a) annually review and either approve or require revisions to the mandates of the Board and each Board committee, position descriptions, the code of business conduct and ethics (the "Code") and all other policies of the Corporation (collectively the "Governance Documents");
 - (b) take reasonable steps to satisfy itself that each director, the CEO and the executive officers are:
 - (i) performing their duties ethically;
 - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
 - (iii) fostering a culture of integrity throughout the Corporation; and
 - (c) arrange, on the advice of the Compensation, Corporate Governance & Nominating Committee, for the Governance Documents to be publicly disclosed.
11. The Board is responsible, with the assistance of the Audit Committee, to:
- (a) approve and implement a disclosure policy which provides for disclosure and communications practices governing the Corporation; and
 - (b) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.
12. The Board is responsible for:
- (a) reviewing departures from the Code;
 - (b) providing or denying waivers from the Code; and
 - (c) disclosing departures from the Code including by filing required material change reports for material departures from the Code containing:

- (i) the date of the departure;
 - (ii) the parties involved;
 - (iii) the reason why the Board has or has not sanctioned the departure; and
 - (iv) any measures taken to address or remedy the departure.
- 13. The Board has the duty to:
 - (a) adopt a strategic planning process for increasing shareholder value, annually approve a strategic plan, and regularly monitor the Corporation's performance against its strategic plan;
 - (b) approve capital and operating budgets to implement the strategic plan;
 - (c) conduct periodic reviews of the Corporation's resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan; and
 - (d) evaluate management's analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation's strategic plan.
- 14. The Board has the duty to:
 - (a) adopt a process to identify business risks and ensure appropriate systems to manage risks; and
 - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
 - (i) disclosure controls and procedures;
 - (ii) internal controls over financial reporting; and
 - (iii) management information systems.
- 15. The Board has the duty to:
 - (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
 - (i) interim and annual financial statements and notes thereto;
 - (ii) managements' discussion and analysis of financial condition and results of operations;
 - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
 - (iv) forecasted financial information and forward looking statements; and
 - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
 - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.
- 16. The Board has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.
- 17. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

SCHEDULE "B"

SUMMARY OF SHAREHOLDER RIGHTS PLAN

Summary of Key Terms of Shareholder Rights Plan

The following is a summary of the key terms of the Shareholder Rights Plan, as amended, which is qualified entirely by reference to the text of the Shareholder Rights Plan. A copy of the Existing Rights Plan is available under the Corporation's SEDAR profile at www.sedar.com and a copy of the proposed Shareholder Rights Plan may be obtained from the Corporation and will be available on the Corporation's website at www.questerre.com.

Trading of Rights

Until the Separation Time (as defined below), or earlier termination or expiration of the rights, the rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares will also constitute the surrender for transfer of the rights associated with those Common Shares. The rights are not exercisable until the Separation Time. After the Separation Time, the rights will become exercisable and begin to trade separately from the associated Common Shares. Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Corporation.

Separation Time

The rights will separate and trade separately from the Common Shares from and after the Separation Time. "Separation Time" means the close of business on the tenth Trading Day (as defined in the Shareholder Rights Plan Agreement) after the earlier of:

- (a) the first date (the "**stock acquisition date**") of public announcement by the Corporation or an Acquiring Person, of facts indicating that a person has become an Acquiring Person;
- (b) the date of the commencement of, or first public announcement of the intent of a person (other than the Corporation or a subsidiary of the Corporation) to commence, a Take-over Bid (as defined in the Shareholder Rights Plan Agreement) other than a Permitted Bid, Competing Permitted Bid or a Permitted Lock-up Agreement; or
- (c) the date upon which a Permitted Bid or Competing Bid ceases to be such,

or on such later date as the board of directors the Corporation (the "**Board**") shall determine, provided that, if any Take-over Bid expires, or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such offer shall be deemed never to have been made.

When Rights Become Exercisable

Following a transaction which results in a person becoming an Acquiring Person (a "**Flip-in Event**"), the rights entitle the holders thereof to receive upon exercise, Common Shares with a market value equal to twice the then Exercise Price of the rights. In such event, however, the rights beneficially owned by an Acquiring Person (including affiliates, associates and joint actors), or the transferee of

any such person, will be void. A Flip-in Event does not include acquisitions approved by the Board or acquisitions pursuant to a Permitted Bid, a Competing Permitted Bid or a Permitted Lock-up Agreement.

Permitted Bids

The Shareholder Rights Plan employs a “Permitted Bid” concept whereby a take-over bid will not trigger the rights if it meets certain conditions. A “permitted bid” is defined as an offer to acquire Common Shares for cash or securities made by means of a take-over bid circular where the Common Shares subject to the offer, together with shares beneficially owned by the offeror at the date of the offer (including its affiliates, associates and joint actors), constitute 20% or more of the outstanding Voting Shares and also that complies with the following additional provisions:

- (a) it is made to all holders of Voting Shares of the Corporation (other than the offeror);
- (b) it contains a condition that shares may be deposited pursuant to the take-over bid, and any shares deposited pursuant to the take-over bid may be withdrawn, and no shares can be taken up and paid for before the close of business on a date not less than 105 days following the date the take-over bid circular is made to all shareholders or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of applicable Canadian securities laws, including NI 62-104) must remain open for deposits of securities thereunder; and
- (c) it contains a condition that more than 50% of the Voting Shares held by shareholders independent of the offeror must be tendered and not withdrawn, and if that condition is met, there will be a public announcement and the take-over bid will remain open for a further period of ten days.

A competing permitted bid is required to remain open until a date which is not earlier than the minimum number of days such take-over bid must be open for the deposit of securities pursuant to applicable Canadian securities laws.

Permitted Lock-up Agreement

The Shareholder Rights Plan also provides that the Shareholder Rights Plan will not be triggered by a Permitted Lock-up Agreement. The term “Permitted Lock-up Agreement” is defined to mean an agreement which is publicly available pursuant to which certain shareholders agree to deposit shares to a take-over bid (the “**Lock-up Bid**”). In addition, the lock-up agreement must:

- (a) permit a shareholder to terminate the agreement in order to deposit the Voting Shares to another Take-over Bid or support another transaction: (i) where the value per Voting Share is higher than the value per Voting Share offered under the Lock-up Bid; or (ii) if (A) the value per Voting Share exceeds by as much or more than a specified amount the value per Voting Share under the Lock-Up Bid (provided that such specified amount is not greater than 7% of the value of the Voting Shares under the Lock-Up Bid), or (B) the number of Voting Shares exceeds by as much or more than a specified number the number of Voting Shares that the Offeror has offered to purchase under the Lock-up Bid, at a value per Voting Share which is not less than the value per Voting Share offered under the Lock-Up Bid (provide that such specified number is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-Up Bid) ; and

- (b) provide for “break fees” or similar fees in an amount which do not exceed the greater of:
- A. the cash equivalent of 2.5% of the consideration payable to locked shareholders under the Lock-up Bid, and
 - B. 50% of the amount by which the value of the consideration payable under another Take-up Bid or transaction to a Locked-up Person exceeds the value of the consideration that such Locked-up Person would have received under the Lock-up Bid,

in order to be a “Permitted Lock-up Agreement.”

Protection Against Dilution

The Exercise Price, the number and nature of securities that may be purchased upon exercise of rights and the number of rights outstanding, are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares or other circumstances where adjustments are required to appropriately reflect the interest of the holders of rights.

Redemption and Waiver

At any time prior to the occurrence of a Flip-in Event, the Board may (provided it has received the prior consent of shareholders by a majority vote) redeem all, but not less than all, of the then outstanding rights at a redemption price of \$0.000001 per right, subject to adjustment. The Board may waive the application of the Shareholder Rights Plan to any Flip-in Event if it determines that a person became an Acquiring Person by inadvertence, conditional upon such person having, within ten days after the determination by the Board, reduced its beneficial ownership of shares such that it is no longer an Acquiring Person. The Board may also, until a Flip-in Event has occurred, waive the application of the Shareholder Rights Plan to any particular Flip-in Event which occurs as a result of a takeover bid circular sent to all shareholders but in that event, the Board must waive the application of the Shareholder Rights Plan to any Flip-in Event occurring as a result of a takeover bid which has occurred previously to the initial waiver (and remains outstanding at the time of the initial waiver) or that occurs within 75 days after the initial waiver.

Amendments

The Board may amend the Shareholder Rights Plan to correct clerical or typographical errors or to maintain the validity of the Shareholder Rights Plan in light of legislative changes. Other amendments can only be made with the approval of the shareholders of the Corporation or, after the Separation Time, the holders of the rights. Any supplements or amendments to the Shareholder Rights Plan require the prior approval of the Toronto Stock Exchange and any other stock exchange on which the Common Shares are listed.

Term

If the Shareholder Rights Plan is approved at the annual and special meeting of shareholders on June 15, 2022, it will terminate upon the earliest of: (i) the termination of the annual meeting of the Corporation held in the year 2025, unless at such meeting the Shareholders Right Plan is not

reconfirmed by an ordinary resolution of the shareholders of the Corporation; or (ii) the termination of the annual meeting of the Corporation held every third year thereafter, unless at such meetings the Shareholders Right Plan is not reconfirmed by an ordinary resolution of the shareholders of the Corporation.

If the Shareholders Right Plan is not approved, it will terminate at the end of the annual and special meeting of shareholders on June 15, 2022.