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August 11, 2026 – Questerre reports second quarter 2026 results

Calgary, Alberta -- Questerre Energy Corporation ("Questerre" or the "Company") reported today on its financial and operating results for the quarter ended June 30, 2026.

Michael Binnion, President and Chief Executive Officer of Questerre, commented, "This quarter, we advanced the three core assets in our portfolio. The successful HCCO™ test in Brazil is a major proof point for our oil shale refining technology. In May, we demonstrated the homogeneous charge of low-temperature oxygen in our working gas using a commercial-scale vessel. An extended test is the next step to establish the commercial parameters required to implement our HCCO process in the existing Petrosix refinery. We expect the process could materially reduce internal fuel usage, which currently represents nearly 15% of our production."

Commenting on the Company's Quebec assets, he added, "In June, our preferred shares, representing defined economic rights linked to our Quebec assets under either a settlement or development scenario, were listed on Euronext Growth in Oslo under the ticker QGAS. Depending on the outcome, these rights provide shareholders with 95% of the net proceeds from a settlement or a 50% carried interest in the future development of our Utica discovery. Shortly after the shares started trading, the Quebec government formally recognized the strategic importance of natural gas. This supports our efforts to work with government and industry toward a commercial solution for developing the discovery."

He further added, "We also completed the sale of our minority working interest at Kakwa Central. Consideration for the assets, which were producing approximately 650 boe per day, was $23.5 million in cash and the assumption of associated reclamation obligations. The proceeds will primarily fund future development at Kakwa North and the expansion of our operated assets in Saskatchewan."

Highlights for Second Quarter of 2026

- Successful HCCO test using a commercial-scale vessel at the PX Energy facility
- Preferred shares listed for trading on Euronext Growth under the ticker QGAS
- Sale of the Kakwa Central assets for $23.5 million in cash
- Like for like average production increased to 5,700 boe per day this quarter from 5,530 boe per day last quarter (overall production reduced from 6,180 boe per day following the Kakwa disposition of 650 boe per day)
- Adjusted funds flow from operations of $18.3 million, including $6.9 million related to changes in contract liabilities, compared to net cash from operating activities of $9.4 million
- Working capital deficit reduced to $19.1 million at June 30, 2026 from $49.6 million at March 31, 2026 including cash and cash equivalents of $44.2 million at June 30 2026

Production volumes for the second quarter of 2026 and the first half of the year increased over the comparative periods of 2025 following the acquisition of PX Energy in the third quarter of 2025. Production volumes averaged 5,700 boe per day (2025: 3,091 boe per day) for the quarter and 5,935 boe per day for the year to date (2025: 2,414 boe per day) with Brazil accounting for approximately 70% of these volumes in both periods. Production in Canada declined with the sale of the Kakwa Central assets in the second quarter that accounted for 650 boe per day of production. Sales volumes in the quarter were 4,632 boe per day (2025: 3,091 boe per day) with variance to production volumes due to internal fuel consumption and customers lifting volumes below their minimum contractual commitments.

The higher production volumes and higher oil prices contributed to higher petroleum and natural gas revenue for both the quarter and year to date periods ended June 30, 2026. The Company reported revenue of $50.1 million (2025: $13.7 million) for the quarter and $93.1 million (2025: $22.8 million) for the year to date period. The Company reported net income before taxes of $20.6 million for the quarter (2025: $0.7 million loss) and $8.1 million (2025: $0.7 million loss) year to date including a gain of $17.5 million in the current quarter on the sale of the Kakwa Central assets.

The Company's working capital deficit at June 30, 2026, was $19.1 million (2025: $13.1 million surplus) compared to $49.6 million at March 31, 2026. Capital expenditures for the first half of the year were $4.0 million (2025: $18.9 million) and related largely to Brazil compared to the prior year expenditures on the drilling and completion of wells in Alberta.

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

Questerre is an energy technology and innovation company focused on responsibly developing oil and gas resources. The Company holds a significant natural gas discovery in the Quebec Utica shale, widely recognized as one of the most important undeveloped natural gas resources in Eastern Canada. The Company believes society can successfully transition its energy portfolio. With new clean technologies and innovation to responsibly produce and use energy, society can sustain both human progress and the natural environment.

Questerre is a believer that the future success of the energy industry depends on a balance of economics, environment, and society. We are committed to being transparent and are respectful that the public must be part of making the important choices for our energy future.

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Advisory Regarding Forward-Looking Statements This news release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities laws in Canada. Any statements about Questerre's expectations, beliefs, plans, goals, targets, predictions, forecasts, objectives, assumptions, information and statements about possible future events, conditions and results of operations or performance are not historical facts and may be forward-looking. Forward-looking information is often, but not always, made through the use of words or phrases such as "anticipates", "aims", "strives", "seeks", "believes", "can", "could", "may", "predicts", "potential", "should", "will", "estimates", "plans", "mileposts", "projects", "continuing", "ongoing", "expects", "intends" and similar words or phrases suggesting future outcomes. Forward-looking information in this news release includes but is not limited to the Company's views on the impacts of the HCCO test to advance its oil shale refining technology, the potential reductions in internal fuel usage from its application at the existing Petrosix refinery, the Company's views on working towards a business and political solution in Quebec, and the planned use of proceeds for future development of its assets in Western Canada.

Although Questerre believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Questerre can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Undue reliance should not be placed on forward-looking information as actual results may differ materially from those expected or implied by forward-looking information.

Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including, without limitation: the following risk factors: additional funding requirements; exploration, development, and production risks; volatility in the oil and gas industry; prices, markets, and marketing of crude oil and natural gas; liquidity and the Company's substantial capital requirements; prices, markets, and marketing of crude oil and natural gas; political uncertainty; non-government organizations; changing investor sentiment; global financial market volatility; adverse economic conditions; alternatives to and changing demand for petroleum products; environmental risks; regulatory risks; inability of management to execute its business plan; competition from other issuers; expiration of licenses and leases; Indigenous claims; possible failure to realize anticipated benefits of acquisitions; and reputational risks.

Additional information regarding some of these risks, expectations or assumptions and other risk factors may be found in the Company's Annual Information Form for the year ended December 31, 2025, and other documents available on the Company's profile at www.sedarplus.ca. Readers are cautioned not to place undue reliance on these forward looking statements. The forward-looking statements contained in this news release are made as of the date hereof and Questerre undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

(1) For the three-month period ended June 30, 2026, liquids production including light crude and natural gas liquids accounted for 4,312 bbls/d (2025: 1,690 bbls/d) and natural gas including conventional and shale gas accounted for 8,295 Mcf/d (2025: 8,409 Mcf/d). For the six-month period ended June 30, 2026, liquids production including light crude and natural gas liquids accounted for 4,392 bbls/d (2025: 1,346 bbls/d) and natural gas including conventional and shale gas accounted for 9,259 Mcf/d (2025: 6,412 Mcf/d).

Barrel of oil equivalent ("boe") amounts may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil and the conversion ratio of one barrel to six thousand cubic feet is based on an energy equivalent conversion method application at the burner tip and does not necessarily represent an economic value equivalent at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This press release contains the terms "adjusted funds flow from operations" and "working capital deficit" which are non-GAAP terms. Questerre uses these measures to help evaluate its performance.

As an indicator of Questerre's performance, adjusted funds flow from operations should not be considered as an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with GAAP. Questerre's determination of adjusted funds flow from operations may not be comparable to that reported by other companies. Questerre considers adjusted funds flow from operations to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund operations and support activities related to its major assets.

	Three months ended June 30,		*Six months ended June 30,*	
($ thousands)	**2026**	2025	**2026**	2025
Net cash from operating activities	**$ 9,428**	$ 6,288	**$ 12,510**	$ 9,646
Change in non-cash operating working capital	**1,909**	(1,283)	**12,896**	(1,099)
Change in contract liabilities	**6,926**	–	**13,651**	–
Adjusted Funds Flow from Operations[1]	**$ 18,263**	$ 5,005	**$ 39,057**	$ 8,547

(1) Adjusted Funds Flow from Operations is a non-GAAP measure defined as cash flows from operating activities before changes in non-cash operating working capital, other than changes in non-cash contract liabilities related to minimum sales volumes, which are included in the measure.