

# Summary published in connection to the admission to trading of shares in Questerre Energy Corporation on NASDAQ OMX Stockholm

This summary is entirely based on information available in Questerre Energy Corporation (also referred to as the “Company” or “QEC”) annual reports, interim reports, the Company’s website, press releases from the Company or information given by the Company’s primary exchange. If nothing else is stated “website” indicates the Company’s corporate website and “annual report” indicates the Company’s annual report. The Swedish FSA has not approved this summary.

## **General**

### **Admission to trading of listed shares**

OMX Treasury AB has applied for admission to trading of shares in The Company on NASDAQ OMX Stockholm.

The Company is listed on the regulated market at Oslo Stock Exchange. The Company’s latest published prospectus was published on the 17<sup>th</sup> of March 2010 and is available at the Company’s webpage: <http://www.questerre.com/>

### **Information regarding this Summary**

This summary is not part of a prospectus and is issued by OMX Treasury AB solely due to the fact that the Company’s shares are being admitted to trading on NASDAQ OMX Stockholm’s regulated market, in accordance with the Swedish Securities Market Act (2007:528) chapter 15, section 4, sub-section 1.

The Company has not been involved in preparing this summary. In accordance with the Swedish Financial Instruments Trading Act (1991:980) chapter 2, section 7, the Company will be notified by NASDAQ OMX Stockholm of the decision to admit the shares to trading on the regulated market.

All information in this summary is based on information published by the issuer.

The purpose of this summary is to provide the market with information on the Company in accordance with the Swedish Financial Instruments Trading Act (1991:980) chapter 2, section 7. The purpose is not to provide sufficient information for making investment decisions regarding the Company share. Investors shall not base investment decisions on the information in this summary. On the contrary, investment decisions shall be based on information issued by the Company as a whole.

The preparation of this summary shall not in any circumstances mean that the contents of the information on the Company would not have changed after the issuing date of the summary. This summary is not a guarantee, neither by the Company nor OMX Treasury AB, regarding future events and shall not be considered as such.

## **Note to the investors**

The purpose of this summary is not to be an encouragement or advice to invest in the Company. The summary shall not be distributed outside Sweden, except as such circumstances where this information does not breach any local legislation. Neither the Company nor OMX Treasury AB nor their representatives have any kind of legal liability on any breaches referred to above, irrespective of whether such limitations are known or unknown by the investor.

## **Questerre Energy Corporation**

### **Group Information** [Website 16 of June 2010]

Questerre Energy Corporation is an independent energy company focused on shale gas in North America. The company is concentrated on establishing commerciality of its Utica shale gas discovery in the St. Lawrence Lowlands, Québec.

Questerre is actively engaged in the exploration for, and the development, production and acquisition of oil and gas projects, particularly shale gas in North America. Management of Questerre intends to leverage its knowledge of unconventional gas reservoirs to develop these projects. Questerre is currently working to establish commerciality of its Utica shale gas play in Québec. To mitigate the financial and operational risks associated with these projects, the Corporation often seeks industry partners to jointly participate in their development. The Corporation plans to further diversify risk through the acquisition and development of a portfolio of lower risk projects. It is expected these lower risk projects will provide near-term cash flow and growth. Questerre holds assets in British Columbia, Alberta, Saskatchewan, Manitoba and Québec.

Questerre has developed a portfolio of assets that include projects in the following areas:

*St. Lawrence Lowlands, Quebec* – Over 1 million gross acres (0.34 million net) prospective for the emerging Utica/Lorraine shale gas plays with further exploration potential in the deeper Trenton Black-River.

*Antler, Southeast Saskatchewan* – Land position of over 21,000 net acres for the proven Bakken/Torquay light oil resource play with strong cash netbacks.

*Southern Alberta* – Existing production from its discovered oil and gas pools in Vulcan.

*Northeast British Columbia* – 33,280 gross acres (16,640 net) for established Jean Marie natural gas play with further exploration potential in deeper formations as well as a 50% working interest in the discovered Beaver River Field natural gas field with multiple shale/siltstone intervals under assessment.

Questerre's common shares trade on the Toronto Stock Exchange and Oslo Stock Exchange under the symbol QEC. The QEC share was listed on the Oslo Stock Exchange on the 17<sup>th</sup> of June 2005 with the ticker code QEC.

[<http://www.newsweb.no/newsweb/search.do?messageId=109694>]

All amounts in Canadian dollars unless notified.

The QEC website is: <http://www.questerre.com/>

Long-term objective and strategy [Webpage/about/strategy & Annual Report 2009]

QEC shall have an open and consistent communication with the local municipalities and their constituents is equally important as is their participation in development.

In a province with abundant hydroelectricity, QEC see natural gas as a clean and efficient.

QEC's operations are conducted to rigorous environmental standards and, as an industry, QEC aim is to meet and exceed these requirements. According to the Company they must communicate these facts and address any misconceptions about shale gas development and its impact on the environment. Further, QEC also ensure that these parties benefit economically from this development.

Questerre's objectives in managing its capital structure are to:

1. Create and maintain flexibility so that Questerre can continue to meet its financial obligations; and
2. Finance its growth either through internally generated cash flows, joint venture relationships or asset/corporate acquisitions which are financed primarily through share issuances.

Questerre's strategy to find "big gas in big markets" was developed over years developing conventional and unconventional oil and gas assets. The strategy is based on four principles:

*Buy early* - Acquire significant land positions in overlooked or under-developed areas

*Add value* - Leverage technical expertise to "understand the rocks" and high grade land positions

*Mitigate risk* - Farm-out to partners and create a diversified portfolio of upsides

*Realize potential* - Prove up reserves and production

Results to date have – according to the Company – been promising. Complementing its potential giant shale gas discovery in Quebec, the Company has developed a portfolio of conventional assets to provide cash flow and short term production growth

History [Prospectus of 17<sup>th</sup> of March 2010]

The Corporation was incorporated under the Companies Act (Alberta) on October 25, 1971 under the name "Westpro Equipment Ltd." and continued under the Business Corporations Act (Alberta) (the "ABCA") on 6<sup>th</sup> of December 13, 1982. On 13<sup>th</sup> of July 1990, the Corporation was continued under the Companies Act (British Columbia). On the 5<sup>th</sup> of December 2000, the Corporation was continued from British Columbia to Alberta under the ABCA and its name was changed to Questerre Energy Corporation.

The principal, head and registered office of QEC is located in Calgary, Alberta USA.

## **Outlook**

[Annual report 2009]

Following the excellent results from St. Edouard No. 1A, QEC look forward to the expansion of the pilot program this year. Additional horizontal the Company's wells are expected to contribute to a statistically meaningful data set and establish the commercial parameters of this emerging play. The Company strengthened their balance sheet in the first quarter of 2010 are well positioned to participate in this program and early field development.

Positive well results are according to the Company a pre-requisite to commercial development. Equally important is a concerted commitment and the active participation of all stakeholders – public, government, service sector and industry. QEC says that they are confident that with the

support of these partners, they will be able to develop this multi-Tcf resource for the benefit of our shareholders and the province of Québec.

[Q1 report 2010]

The long-term nature of our shale gas project mitigates the impact of short-term natural gas prices. QEC share the view held by the super majors and major industrial players on the value of strategic natural gas resources in North America. Accordingly, QEC remain optimistic regarding the long-term gas prices which are well matched to their project in Québec. Operations recently commenced on Fortierville in the Lowlands and the Company continue to expect final results in the third quarter from this well and Gently.

For more information about The Company's outlook, please refer to the annual report 2010, Q1 2010 report and to the Company's webpage.

#### Recent Developments [Q1 2010, unaudited]

The St. Edouard horizontal well results in the St. Lawrence Lowlands, Québec, marked the beginning of a new chapter for Questerre. The Company's primary goal now is to continue derisking their significant discovered Utica shale gas resource. An important part of this will be to refine estimated ultimate recovery factors.

Over the next 12 months, subject to results, QEC's goals are to:

- Add three to six additional results to the ongoing pilot horizontal well program;
- Acquire 3-D seismic; Construct a 'first gas' pipeline; and
- See the passage of new hydrocarbon legislation.

During Q1 2010 the Company made a equity issue of \$128 million in order to finance continued piloting and early commercialization of their discovery.

Highlights from the first quarter 2010 include:

- St. Edouard 1A horizontal well tested at an initial stabilized rate of approximately 6 MMcf/d from the Utica shale in the St. Lawrence Lowlands, Québec
- Completed \$128 million equity offering to primarily finance commercialization and early development of the Utica
- Positive cash flow from operations of \$0.52 million and production of 600 boe/d with limited investment in developed assets
- Strengthened financial position with \$166 million in positive working capital and no debt

Net loss Q1 2010 amounted to \$-3,876,612 compared with \$ -5,299,518 in the corresponding period of 2009. All amounts are in Canadian dollars unless otherwise noted.

#### **Board** [website/about/Directors]

Peder Paus, Chairman of the Board

Leslie Beddoes, Jr., Director

Michael Binnion, President and Chief Executive Officer

Pierre Boivin, Director

Russ Hammond, Director

Patrick Quinlan, Director

Bjorn Inge Tonnessen, Director

**Group Executive Board** [website/about/management]

Michael Binnion, President and Chief Executive Officer

John Brodylo, Vice President, Exploration

Peter Coldham, Vice President, Engineering & Operations

Jason D'Silva, Chief Financial Officer

Paul Harrington, Vice President, Finance

Jason Kaluski, Manager, Operations

Richard Mindus, Manager of Operations, Beaver River

Ian Nicholson, Western Canada Manager

Maria Rees, Corporate Secretary

Rick Tityk, Vice President, Land

**The Shares** [website/investor center]

QEC's common shares issued and outstanding are 233,762,978 and stock options outstanding are according to the Company 20,416,253 with an average exercise price of \$2.44. The insider position is 21,579,517 representing some 9%.

The Company's common stock is listed on the Oslo Stock Exchange (OSE) under the symbol "QEC".

**Largest shareholders** [website/investor relations/shareholders]

Limited information about largest shareholders on the Company's webpage presenting only one shareholder; Sprott Asset Management Holder representing 19,794,720 number of shares.

**Remuneration and Share-based remuneration and stock-based Compensation**

**Remuneration**

The Company has not published any information regarding Remuneration information on their website and neither in their recent annual report or Q1 2010 report.

**Stock-based Compensation**

The Company has a stock-based compensation plan enabling employees, officers and directors to purchase common shares at exercise prices equal to the market price or above on the date the option is granted. The Company uses the fair value method for valuing stock option grants. Compensation costs attributable to share options granted are measured at their fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon exercise of the stock options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is credited to share capital. The assumptions used in calculating its stock based compensation expense are: the volatility of the stock price, risk-free rates of return and the expected lives of the options.

Stock-based compensation expense for the first quarter of 2010 totaled \$1.39 million (2009: \$1.41 million) and \$1.34 million in the prior quarter. As mandated by existing accounting standards, this represents the estimated fair value of stock options granted using the Black

Scholes pricing model amortized over the vesting period. The Black Scholes model calculates a theoretical value of the options based on the price of the Company's shares, its volatility, risk free rate and expected life. The expense over the three periods noted above is relatively consistent. However, the increased volatility in Questerre's share price, higher exercise prices and the number of options granted at the end of March 2010 will lead to a material increase in the stock-based compensation expense in subsequent quarters. The expense is a non-cash item, and, upon exercise of options in fact results in increased cash.

The weighted average fair value of the options granted in the first quarter of 2010 using the Black Scholes pricing model was \$2.65 (2009: \$1.21) and the weighted average exercise price was \$4.03 (2009: \$1.80). For latest information regarding stock-based compensation, please refer to the Q1 2010 report.

### Information on the financial figures

All amounts are in Canadian dollars unless otherwise noted.

The revenue for the QEC in 2009 was \$11,952,548. [annual report 2010]

Extracts of Consolidated Income Statements and Balance Sheets for QEC for the year ended 31 December are presented below.

<b>Extract - Income Statement</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Revenue	18,176,181	24,826,467	11,952,548
Net loss before income taxes	-3,247,217	-6,735,702	-17,882,614
Net Profit/Loss	-1,965,543	-9,212,614	-13,722,888

<b>Extract - Balance Sheet</b>	<b>2007</b>	<b>2008</b>	<b>2009*</b>
Non-current Assets	62,605,588	90,582,162	88,243,193
Current Assets	26,876,632	74,948,971	57,031,180
Equity	71,627,841	137,189,444	129,977,202
Balance sheet Total	93,074,767	165,531,133	145,272,364

### Important notice

For further financial information about the Company, please refer to the Company's financial reports. Comments regarding recent development and forward looking statements please refer to the Annual and Quarterly reports and press releases as well as the Company's webpage.

### The accounting Policies [annual report 2009]

In February 2008, the CICA's Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. Questerre will be required to report its results in accordance with IFRS beginning in 2011. The Company has developed a changeover plan to complete the transition to IFRS by January 1, 2011, including the preparation of 2010 required comparative information.

During 2009, Questerre made significant progress on its changeover plan. The Company analyzed accounting policy alternatives and preliminarily drafted its IFRS accounting policies. Process and system changes have been designed for significant areas of impact, with internal

control requirements taken into account. IFRS education sessions have been held with internal stakeholders.

Process and system changes will be implemented in early 2010 to ensure IFRS comparative data is captured. Questerre's IFRS accounting policies are expected to be finalized mid-2010. Quantification of IFRS impacts will then be determined utilizing previously captured data. Communication of impacts to external stakeholders is expected to occur in the latter half of 2010.

Questerre will continue to update its IFRS changeover plan to reflect new and amended accounting standards issued by the International Accounting Standards Board.

#### Significant accounting policies

The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. The financial information contained elsewhere in this report has been reviewed to ensure consistency with the consolidated financial statements. Management has established systems of internal controls, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. It exercises its responsibilities primarily through the Audit Committee, which is comprised of non-management directors. The Audit Committee has reviewed the consolidated financial statements with management and the auditors and has reported to the Board of Directors which have approved the consolidated financial statements. The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, the external auditors, in accordance with auditing standards generally accepted in Canada on behalf of the shareholders.

For more details regarding accounting policies please refer to the Company's financial reports.

#### **Risks** [annual report 2009]

Companies engaged in the petroleum and natural gas industry face a variety of risks. For Questerre, these include risks associated with exploration and development drilling as well as production operations, commodity prices, exchange rate and interest rate fluctuations. Unforeseen significant changes in such areas as markets, prices, royalties, interest rates and government regulations could have an impact on the Company's future operating results and/or financial condition. While management realizes that all the risks may not be controllable, they can be monitored and managed. A significant risk for Questerre as a junior exploration company is access to capital. The Company attempts to secure both equity and debt financing on terms it believes are attractive in current markets. Management also endeavours to seek farm-in participants to participate in the development of its projects on favourable terms. However, there can be no assurance that the Company will be able to secure sufficient capital if required or that such capital will be available on terms satisfactory to the Company. The Company has a detailed risk presentation in inter alia their annual report of 2009 and the prospectus published on the 17<sup>th</sup> of March which highlights among many other risks, credit risks, financial risks, environmental risks etc.

For detailed information on risks, please refer to inter alia the Annual report of 2009, and the Company's prospectus published on the 17<sup>th</sup> of March 2010 and other relevant financial reports and sources.

### **Liquidity**

It is not sure whether there at all times will be a high liquidity for the Company on NASDAQ OMX Stockholm's regulated market. The market price of the Company may fluctuate significantly depending on different factors. The market process of the Company's shares may fluctuate significantly which does not necessarily depend on the Company's success of its business operations or future forecasts. Lack of liquidity may partly depend on the fact that the market prices of securities may fluctuate more on NASDAQ OMX Stockholm in this case than on those exchanges where these securities are traded more actively. NASDAQ OMX Stockholm has the ambition to have several Liquidity Providers to mitigate this risk.

### **Exchange rate**

The Company share's exchange rate on Oslo Stock Exchange is NOK. The trading on NASDAQ OMX Stockholm will take place in NOK.

### **The Company's information obligation**

The Company has no information obligation regarding the current admission to trading of the shares at NASDAQ OMX Stockholm, neither based on the Swedish Securities Markets Act nor on NASDAQ OMX Stockholm's rules. However, by being continuously primarily listed on Oslo Stock Exchange's regulated market, the Company complies with the Norwegian legislation on information obligation and its home exchange's disclosure rules. The Company has no further obligation to disclose price sensitive information in Swedish language but the Company normally uses Norwegian and English language with regard to its disclosure practices. The Company's press releases and financial reports are generally available in Norwegian and English language. By having Norway as home member state, the Company is under obligation to meet Norwegian requirements on publication and storage of information in Norway's national information database for issuers (OAM) which is handled by Oslo Stock Exchange [www.newsweb.no](http://www.newsweb.no).

### **The availability of information on The Company**

The company's website: <http://www.questerre.com/>

Norwegian national storage regarding all price sensitive information published by companies whose shares are admitted to trading on a regulated market in Norway: [www.newsweb.no](http://www.newsweb.no)

### **The availability of this summary**

This summary is supplied by NASDAQ OMX on [www.nasdaqomxtrader.com](http://www.nasdaqomxtrader.com).

### **Information obtained from the external information sources and declaration on this summary**

The information on the Company originates from financial reports, press releases on financial accounts published by the Company as well as from the Company's investor web page.

OMX Treasury AB has issued this summary which is based on information published by the Company. In accordance with the Swedish Financial Instruments Trading Act, chapter 2,

section 15, OMX Treasury AB declares that it has accurately ensured, to such extent as appropriate, that the information in this summary is repeated appropriately and that no facts are omitted from the information in the summary that could result in that the repeated information in this summary would be misleading or inaccurate.

According to the Swedish Financial Instruments Trading Act, chapter 2, section 14, sub-section 3, please note that any investor who commences judicial proceedings as a result of information in this summary may be compelled to pay for a translation of the document.