QUESTERRE ENERGY CORPORATION
(the "Corporation")

INSIDER TRADING AND REPORTING POLICY

The purpose of this insider policy is to summarize the insider trading restrictions to which directors, officers, consultants and employees of the Corporation and its subsidiaries are subject to under applicable securities legislation, and to provide a policy governing investments in the Corporation's shares and the reporting thereof which is consistent with applicable legislation and the goals of the Corporation.

This insider policy is not intended to discourage investment in the Corporation's shares. Rather, it is intended to highlight the obligations and the restrictions imposed on insiders and ensure compliance with Canadian securities legislation and to protect the Corporation, its subsidiaries and their directors, officers, consultants and employees from the very serious liabilities and penalties that could result from violations of such laws.

Each director, officer, consultant and employee of the Corporation and its subsidiaries is responsible for ensuring compliance with applicable securities legislation and this insider policy.

If you have any questions regarding the contents of this insider policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the Chief Executive Officer or the Chief Financial Officer for assistance.

Principles of Insider Trading Restrictions

Securities legislation prohibits any person or entity in a "special relationship" with the Corporation from either:

1. purchasing or selling the Corporation's securities (including common shares and stock options) with the knowledge of a material fact or material change concerning the Corporation that has not been generally disclosed; or

2. informing (or "tipping"), other than when necessary in the course of business, another person or corporation of a material fact or material change concerning the Corporation before the material fact or material change has been generally disclosed.

This prohibition applies to any of the following persons or entities who are deemed to have a "special relationship" with the Corporation:

1. directors, officers and employees of the Corporation.

2. any person or company beneficially owning or controlling securities carrying more than 10% of the voting rights of the Corporation.

3. an associate or affiliate of the Corporation as defined in the Securities Act (Alberta) (the "Act"), which includes corporations in which you and your family members have an interest.

4. persons or corporations who learn of a material fact or material change concerning the Corporation from any person in a special relationship to the Corporation or ought reasonably to have known that the other person or company was in a special relationship with the Corporation.

5. any person or company that has engaged in, is engaging in or is proposing to engage in any business or professional activity with the Corporation.

6. any person who is associated with a person in a special relationship, including any family member, spouse or any other person living with such person, is also deemed to be a person in a special relationship with the Corporation, and is subject to the same legal obligations and duties.

Trading Prohibitions

In light of the foregoing, all directors, officers, consultants and employees of the Corporation and those persons deemed to have a "special relationship" with the Corporation or those associated with a person in a "special relationship" will be subject to the following prohibitions relating to investments in the Corporation's securities:

1. If one has knowledge of a material fact or material change related to the affairs of the Corporation or any public issuer involved in a transaction with the Corporation which is not generally known, no purchase or sale of securities of the Corporation or such other public issuer may be made until the information has been generally disclosed to the public and the blackout periods set forth below have expired.

2. Knowledge of a material fact or change must not be conveyed to any other person for the purpose of assisting that person in trading securities.

3. The practice of selling "short" securities of the Corporation at any time is not permitted.

4. The practice of buying or selling a "call" or "put" or any other derivative security in respect of the securities of the Corporation is not permitted.

5. In order to avoid the inadvertent breach of these policies, open or standing buy or sell orders for the Corporation's securities should not be provided or maintained with securities dealers or other persons.

6. Trading is prohibited in the event that the Corporation has provided notice of a pending material fact or material change until the information has been generally disclosed to the public and the blackout periods set forth below have expired.

7. At no time should an individual trade securities of the Corporation if he/she believes that they have information that could be judged by an outsider or the Corporation as undisclosed material information.

For purposes of this insider policy, public issuer includes any issuer, whether a corporation or otherwise, whose securities are traded in a public market, whether on a stock exchange or "over the counter".

The above prohibitions and the insider reporting obligations provided below apply equally to the trading of common shares and the trading or exercising of options or other securities of the Corporation.

The securities laws and this policy extend to trading in the securities of other firms when possessing material non-public information about another public company through one's employment at the Corporation. An example would be material non-public information learned about a customer or vendor of the Corporation or other public company with which the Corporation may be negotiating a transaction including but not limited to an acquisition, investment, or sale. If you are aware of non-public information concerning another public company, you must not disclose that information to persons outside the Corporation and you must not trade in securities of the other company until such information has been

publicly disclosed or until any study of such an acquisition by the Corporation has been permanently terminated. Information that is not material to the Corporation may nevertheless be material to the other firm, and trading in the securities of the other firm could under these circumstances be a violation of securities laws.

Material Information

The terms "material fact" and "material change" refer to a fact or change relating to the Corporation that significantly affects or would be reasonably expected to have a significant effect on the market price of the Corporation's securities. **A material change is specifically defined to include, but is not limited to, any decision by the board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if Board approval is probable.**

You should assume that information is material if an investor might consider the information to be important in deciding whether to buy, sell or hold securities of the Corporation. Some (not all) of the matters which may be material are earnings forecasts, possible acquisitions or joint ventures, acquisition or loss of a significant contract, dividend actions, important product development, significant financing developments, major personnel changes, major litigation developments and the status of labour negotiations.

For further information regarding material information refer to the Corporation's disclosure policy.

When is Information Deemed Public

Securities legislation does not define the term "generally disclosed"" or "publicly disclosed" , however, Canadian courts have held that information has been generally disclosed or publicly disclosed if the information has been disseminated in a manner calculated to effectively reach the market place and public investors have been given a reasonable amount of time to analyze the information.

The board of directors is of the opinion that it can take up to two full business days after an announcement has been made by the Corporation for the information in the announcement to be generally disclosed or publicly disclosed. Accordingly, if you are aware of any material information relating to the Corporation which has not been made available to the public for at least two days, you must not trade, directly or indirectly, in the Corporation's securities or disclose such information to another person likely to trade in the Corporation's securities. Thus, one may not attempt to "beat the market" by trading simultaneously with, or shortly after, the official release of material information. Insider trading is not permissible merely because rumours or other unofficial statements in the marketplace reflect material information.

Blackout Periods

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, in accordance with the Corporation's disclosure policy, insiders (as defined below) and employees with knowledge of confidential or material information about the Corporation or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in the Corporation or any counter-party until the information has been publicly disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Trading blackout periods will apply to all employees, directors and officers of the Corporation. The blackout period commences on the 15th day of the month following the end of a quarter, (except at year end where the blackout period commences 45 days after the end of the fiscal year) and ends on the second day following the issuance of a news release disclosing quarterly or annual results.

Blackout periods may be prescribed from time to time by the Corporation as a result of special circumstances relating to the Corporation pursuant to which insiders of the Corporation would be precluded from trading in securities of the Corporation. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

Before you or any other family member of yours trade in any securities of the Corporation, you must contact the Chief Executive Officer, Chief Financial Officer or Corporate Secretary to determine if there is any blackout in effect.

Tipping and Confidential Information

"Tipping" is informing another person of a material fact or material change concerning the Corporation before the material fact or material change has been generally disclosed to the public or recommending to anyone the purchase or sale of any securities on the basis of such information. Tipping is a violation of securities laws which could result in liability to the Corporation, a director, officer or employee, even if such individual derived no benefit from the trading of someone else.

It is the duty of all persons to whom this insider policy applies to maintain the confidentiality of non-public information belonging or relating to the Corporation. Non-public information belonging or relating to the Corporation may not be disclosed to others outside of the Corporation except as required in the performance of regular duties for the Corporation and in accordance with the Corporation's disclosure policy.

Directors, officers, consultants and employees should not discuss the Corporation's business with others under circumstances in which non-public information could be disclosed. In particular, the Corporation's business must not be discussed in internet chat groups or bulletin boards, particularly those that focus on investment matters. Such discussions may result in charges of tipping or that the person involved is improperly promoting the Corporation's stock, both of which are violations of the securities laws.

For further information regarding disclosure or confidential information refer to the Corporation's disclosure policy.

Insider Reporting Obligations

Under current Alberta, British Columbia and Ontario law, a person or Corporation who becomes an insider of the Corporation must file an insider report within 10 days of the date of becoming an insider. Under current securities legislation in Oslo, Norway, a person or Corporation who becomes an insider of the Corporation must file an insider trading report immediately. **An insider report should be completed and filed immediately disclosing your holdings of any securities of the Corporation including common shares and stock options if you are a defined insider and have not already filed an insider report.** In addition, an insider whose direct or indirect beneficial ownership of or control or direction over securities of the Corporation changes, must file an insider report of the change within 10 days of the date of the change in Canada and prior to the next trading day in Norway. For example, an insider report must be filed upon being granted stock options and also upon the exercise, cancellation or expiry of stock options.

Generally, securities legislation defines insiders as:

1. every director or "senior officer" (as defined below) of a public issuer;

2. every director or senior officer of an issuer that is itself an insider of a public issuer, which includes its subsidiaries;

3. any person or corporation that:

   (a) beneficially owns, directly or indirectly, voting securities of a public issuer, or

   (b) exercised control or direction over voting securities of a public issuer, or

   (c) beneficially owns, directly or indirectly, certain voting securities of a public issuer and exercises control or direction over certain other voting securities of a public issuer,

   carrying more than 10% of the voting rights attached to all voting securities of the public issuer for the time being outstanding other than voting securities held by the person or corporation as underwriter in the course of distribution.

Generally, a "senior officer" is:

1. The Chairman or Vice-Chairman of the Board of Directors, the President, Vice-President, Secretary, Comptroller, Treasurer or General Manager or any other individual who performs functions for the issuer similar to those performed by an individual occupying that office; and

2. Each of the 5 highest paid employees of an issuer, including any individual referred to above.

Only insiders, as defined in securities legislation, are required to file insider reports. Employees who are not otherwise insiders are not required to file insider reports.

Electronic Filing of Insider Reports

All insider reports must be filed electronically pursuant to the system for electronic disclosure by insiders ("Sedi") via an internet website at www.sedi.ca and may no longer be filed in a paper format.

Every insider is required to complete an insider profile by completing the on-line form on the Sedi website. This insider profile will request information regarding the insider including the insider's name, address and telephone number, names of the corporations for which the individual is an insider and the date the insider last filed an insider report in paper format.

It is each insider's personal responsibility to ensure that all requisite insider trading reports are filed with the appropriate securities commissions (currently Alberta and British Columbia) within the statutory time limits (10 days from the date of becoming an insider or from the date of any subsequent trade).

In addition to the above reporting requirements, insiders shall report all trades to the Chief Financial Officer of the Corporation by delivering a copy of the insider trading report filed with the applicable securities commissions at the time of such filing. The Chief Financial Officer will maintain a register of insider share positions in the Corporation.

Requests For Additional Information

If requested by the Corporation to satisfy the requirements of an applicable regulatory authority, any person to whom this insider policy applies shall cooperate fully and promptly provide such other documentation or information, including a full trading history in the Corporation's securities , as may be required.

Communication

New directors, officers, consultants and employees will be provided with a copy of this insider policy and will be directed to review the insider policy. This insider policy will be circulated to all directors, officers, consultants and employees on an annual basis and whenever changes are made.

If you have any questions regarding the contents of this insider policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the Chief Executive Officer and the Chief Financial Officer for assistance.

Enforcement

Enforcement

Penal Sanctions

The securities acts contain penal sanctions for both trading on or informing others of inside information. While the penalties vary among jurisdictions, offenders are personally liable to prosecution and, upon conviction, to a fine not exceeding one million dollars or five years in jail, or both. The prohibitions with respect to informing typically permit the defence that the information was given in the necessary course of business. There is a defence with respect to both the trading and informing offences that the person reasonably believed the material had been generally disclosed.

Administrative Sanctions

There are several administrative sanctions that might be applied by a securities commission in the context of insider trading or informing. For example, a securities commission may issue a cease trade order against a senior officer who has engaged in insider trading.

Civil Actions

Canadian securities acts generally provide for an action for damages against a person trading on material inside information by the person with whom the trade was made. There are similar provisions in the *Business Corporations Act* (Alberta).

As with the penal sanction, there is a defence of reasonable belief that the material information had been generally disclosed. There is an additional defence that the material information ought reasonably have been known to the plaintiff.

An action for damages can also be brought against a person who informed another of the inside information. The action can be brought by anyone who sold securities to or purchased securities from a person who obtained the inside information from the informer.

Any director, officer , consultant or employee violating insider trading laws may in addition be subject to lawsuits by any third party who purchased or sold the securities at the same time as the director, officer or employee. The Corporation likewise may be liable for the violation.

In addition, the Corporation itself can bring an action against an insider, affiliate or associate, as defined in the Act, of the Corporation where that person either bought or sold securities with knowledge of material information or informed another of the material information, before the information was publicly disclosed. The action is for an accounting to the company of every benefit or advantage received by such insider, affiliate or associate or by the “tippee”.

Sanctions by the Corporation

In addition to the above referenced sanctions, the Corporation may impose its own disciplinary action, including dismissal for cause, for violation of this insider policy.

Received and reviewed this _____day of _____ of _____, 200__.

_____
Signature

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Name (please print)