

April 2, 2004

To the Creditors of Questerre Beaver River Inc. (“QBR”)

**Re: Companies’ Creditors Arrangement Act (“CCAA”) Proceedings
In Alberta Court of Queen’s Bench – Action 0401-05399**

On April 1, 2004 QBR made application to the Court of Queen’s Bench of Alberta and was granted an Order under the CCAA (the “Initial Order”) in order to provide QBR an opportunity to formulate a plan of arrangement for the consideration of its creditors and other stakeholders. A copy of the Initial Order granted by the Honourable Justice LoVecchio is enclosed for your reference.

The Alberta Court has granted various reliefs with respect to QBR pursuant to the CCAA, including imposing a stay of proceedings against the creditors of QBR and appointing Ernst & Young Inc. as Monitor.

A copy of the Initial Order and the supporting documents will be posted on the website of Questerre Energy Corporation at www.questerre.com. Further court orders, reports and supporting documents will be posted to that website.

If you wish to speak to a representative of Ernst & Young Inc., please contact one of the following individuals:

Mr. Chris Stepanuik (403) 206-5311 or
Ms. Trish Flett (403) 206-5153

Yours truly,

Ernst & Young Inc.
Monitor of Questerre Beaver River Inc.



Neil Narfason, CA•CIRP, CBV
Senior Vice President