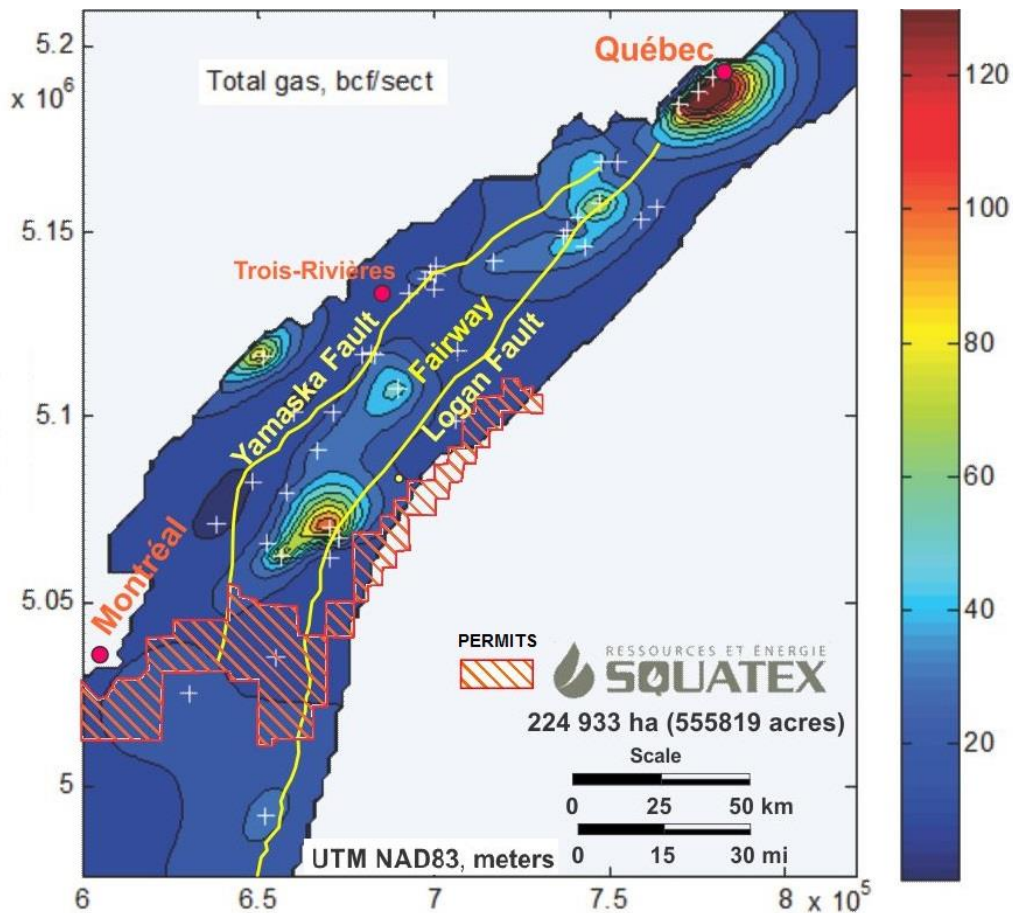


**SQUATEX VERY WELL POSITIONED FOLLOWING PUBLICATION OF DRAFT REGULATIONS**  
**FOR THE OIL AND GAS INDUSTRY IN QUEBEC**

**BROSSARD, September 21, 2017** - Squatex Resources & Energy Inc. (Squatex - [www.squatex.com](http://www.squatex.com)) (CSE: SQX.CN / [CNSX: SQX](http://www.squatex.com)) is pleased with the filing of new regulations to be linked to Bill 35, which the Quebec government has set up to oversee the harmonious development of the petroleum industry, which will contribute to the growth of the Quebec economy and create new jobs in respect of the environment. This industry framework is in line with Squatex's priorities.

In the **St. Lawrence Lowlands**, Squatex has a very large territory under oil and gas licenses of some 224,933 ha (555,809 acres) ([www.squatex.com](http://www.squatex.com)). Its exploration permits are well positioned as they cover an appreciable area of the prospective natural gas zone of the Utica Ordovician shales between the Yamaska fault to the northwest and the Logan fault to the south (see map).



The Squatex permits in the Lowlands were originally acquired to explore other important **conventional resources** deeper into the porous rocks of the Trenton-Black River carbonate Formations near major deep faults. Squatex intends to actively explore these targets that **do not require hydraulic fracturing**. Numerous examples of dolomitized fields ([Ontario](http://www.squatex.com) Michigan, northwestern [New York](http://www.squatex.com) and elsewhere in the world) show the excellent potential of calcareous formations transformed into dolomites by the circulation of hydrothermal fluids from faults (**HTD**).

Thanks to its acquired expertise and the equipment developed in the Lower St. Lawrence region in a context of similar rocks showing strong porosities (Massé Structure), Squatex is well equipped to consider an early return to exploratory work in the Lowlands. Indeed, Squatex uses low-impact drilling equipment (Slim Hole). Squatex is constantly looking for innovative solutions for its work in order to minimize the areas affected by its exploration, which could prove to be a guarantee of social acceptability. Squatex has innovated in Quebec using small-diameter drilling techniques that can achieve the same results more accurately than using large diameter conventional oil drills that consume more fuel, more water and use more space on the ground being also more noisy.

In the **Lower St. Lawrence**, Squatex continues its exploration program as planned on and around the Massé discovery. The next step will be to perform the assessment of productivity on the Masse No.2 well and to measure the pressure of the oil and gas zones encountered while drilling (see press release of [May 18, 2016](#)).

### **About Resources & Energy Squatex Inc.**

Resources & Energy Squatex Inc. is a junior oil and gas exploration company established in 2001 and incorporated under the Canada Business Corporations Act on April 12, 2002, with head office at 7055 Boul. Taschereau, Suite 500, Brossard, Quebec J4Z 1A7. The main activity of the company is, as operator, to carry out works and studies aiming at the evaluation and the full development of the oil and gas potential of a territory of 656,093 hectares under exploration license in the Province of Québec. Squatex holds 224,933 ha of exploration permits in the St. Lawrence Lowlands and 431,160 ha of permits in the Lower St. Lawrence region (70% net interest).

### **Forward-Looking Statements**

Certain statements made herein may constitute forward-looking statements. These statements relate to future events or future economic results of Squatex and involve known and unknown risks, uncertainties and other factors that could materially affect the results, performance or achievements of the Company in relation to that expressed or implied by the statements of Squatex. Actual events or results could be very different. Consequently, the decision to invest in the securities of Squatex should not be based on such statements at any time. Squatex disclaims any intention and any obligation to update these forward-looking statements.

SOURCE: Squatex Resource and Energy Inc

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