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QUESTFIRE ENERGY CORP. ANNOUNCES 2012 FIRST QUARTER FINANCIAL RESULTS

Questfire Energy Corp. (the “Corporation” or “Questfire”) (TSX Venture – Q.A, Q.B) is pleased to announce that it has filed on SEDAR its unaudited financial statements and related management’s discussion and analysis (“MD&A”) for the three month period ended March 31, 2012.

First Quarter 2012 Corporate Highlights

- The Corporation’s first production came on stream in February with an initial production rate of approximately 100 boe per day net from a natural gas well in the W4 Richdale area. Production averaged 46 boe per day for the quarter.
- Questfire drilled, completed and tested a 100 percent working interest well in the Company’s W5 exploration area at Thorsby. It encountered a thick Upper Mannville channel with 12 meters of high-quality reservoir and is a new pool discovery for liquids-rich natural gas and 39° API light oil.
- The Corporation acquired an additional two sections of land at 100 percent working interest, bringing its total land base to 23 sections (14,695 acres) at the end of the first quarter.

Subsequent to the period ended March 31, 2012, Questfire:

- Acquired an additional six sections of land at 100 percent working interest, bringing its total land base to 29 sections (18,535 acres).
- Has identified up to 16, 100 percent working interest drilling locations prospective for light oil on its existing lands at Thorsby and Bow Island. The Thorsby drilling locations are based on geological mapping and the Corporations proprietary 3D seismic survey.

President’s Message

During the first quarter of 2012 Questfire continued to pursue its strategy of organic growth through exploration for conventional medium to light oil pools. At Thorsby our new pool discovery drilled in January encountered an Upper Mannville channel with 12 meters of excellent quality reservoir, with approximately 4 meters of gas pay over a 4.5 meter light oil column and with 3.5 meters of bottom water. The well was tested over a short period but saw gas rates as high as 1.5 mmscf per day and an oil rate as high as 70 bbls per day. The well is currently shut-in awaiting further drilling and the installation of company-owned and operated facilities.

Our land base at Thorsby continues to grow and is currently at 8 sections (5,120 acres), all 100 percent working interest. We have identified 15 potential drilling locations on our lands prospective for light oil. The next Thorsby well to be drilled will target two light oil zones and is in the licensing process. The well should be ready to drill following spring break-up.

In the Bow Island area of southeast Alberta, Questfire has 2.8 sections of 100 percent working interest lands prospective for 24° API oil. The target zone is the Sunburst Formation at a relatively shallow depth of 900 meters. Geological mapping and seismic data suggest the potential for a significant oil pool. The Corporation recently licensed a well to test this feature and is making preparations for a follow-up 3D seismic program. With success the pool could support up to 30 drilling locations on 20-acre spacing. The first well is planned for drilling before the end of the current quarter or early in the third quarter, depending on weather and access. The risk profile of this well is more exploratory in nature but the potential reward is very large. In addition to working on these plays, our exploration staff continues to prospect for oil opportunities in our focus areas.

In the short time since our relatively small initial public financing in October 2011, Questfire has made very good progress in building an inventory of high-quality oil prospects, has established a solid land base of 29 sections at 100 percent working interest, has drilled wells and brought initial oil and natural gas production on-stream, and has identified 16 potential drilling locations prospective for light oil.

On the macro scale, the entire oil and natural gas industry has been severely affected by the turmoil in the world's economy, the resulting weak equity markets and the dramatic decline in natural gas prices over the past winter. Understandably, investors have become very risk-averse and in general are seeking safe havens by either avoiding the energy sector altogether or by investing only in large, dividend-paying companies. Junior exploration and production (E&P) companies have been particularly affected by the weak equity markets and the acute lack of investment capital in the junior E&P sector. Questfire has slowed capital spending in the short term and is pursuing a number of options to access additional capital. We are preparing locations to drill and are laying out plans for additional 3D seismic programs to allow quick execution when capital becomes more available.

On the positive side, market forces are already at work correcting the natural gas over-supply situation, with natural gas rig counts dropping and natural gas demand for electrical generation in North America reaching an all-time high. In past economic cycles, sharp downturns in the E&P sector have been not uncommon, eventually being followed by sharp rebounds. A continued strengthening in natural gas prices and, one can hope, progress on the European debt crises, should reduce overall instability in equity markets and increase investor confidence and availability of capital for the junior E&P sector.

Questfire Energy Corp. is an Alberta-based company formed to participate in oil and gas exploration, development and acquisitions focusing in the W4 and W5 regions of Alberta. The Corporation's shares trade on the TSX Venture exchange under the symbols Q.A and Q.B. The Corporation currently has 12,813,001 Class A shares and 555,840 Class B shares outstanding.

To view a full copy of the Corporation's unaudited financial results for the three months ended March 31, 2012, including the Corporation's accompanying MD&A, please refer to the SEDAR website at www.sedar.com or contact the Corporation at Questfire Energy Corp., 400, 703 – 6th Ave S.W., Calgary, Alberta, T2P 0T9.

Reader Advisory

This news release contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks, uncertainties, and assumptions certain of which are beyond Questfire's control. Such risks, uncertainties, and assumptions include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Questfire's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Questfire will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Questfire or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Questfire does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Petroleum and natural gas volumes are converted to an equivalent measurement basis referred to as a "barrel of oil equivalent" (boe) on the basis of 6 thousand cubic feet of natural gas equalling 1 barrel of oil. This is based on an energy equivalency conversion method applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead which is approximately 30 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

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To request a free copy of Questfire's financial report or if you would like to be put on Questfire's mailing list please contact Ronald Williams, Vice President, Finance and CFO at rwilliams@questfire.ca

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