



**CALGARY, ALBERTA – NOVEMBER 29, 2012**

## **QUESTFIRE ENERGY CORP. ANNOUNCES 2012 THIRD 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 and nine month periods ended September 30, 2012.

### **Third Quarter 2012 Corporate Highlights**

- Averaged 74 boepd (89 percent natural gas) with low operating and transportation costs of \$8.31/boe and an average royalty rate of 5 percent.
- Had production revenue, before royalties, of \$138,123 for the quarter and \$296,167 for the nine months.
- Completed the planned tie-in of the Corporation's liquids-rich gas well drilled in the Thorsby field in the first quarter of 2012.

### **President's Message**

The third quarter of 2012 continued to be a challenging time in a variety of ways for the oil and natural gas industry in Western Canada. With volatility in commodity prices, equity markets also remain volatile, with investors being averse to risk due in part to continuing economic uncertainty around the world. Consequently, the access to capital for junior oil and natural gas companies is still very limited.

In light of these factors, Questfire continued to be very cautious with respect to capital spending in the third quarter of 2012. The Corporation continued to prospect for light oil drilling opportunities and spent approximately \$777,000 in the quarter, with the majority (\$482,000) spent drilling a well at Thorsby which unfortunately, proved to be unsuccessful and was abandoned. An additional \$219,000 was spent on the tie-in of the Corporation's previous Thorsby well that was drilled in the first quarter of 2012 and was successfully tested for liquids-rich natural gas. The current production rate, as of the date of this MD&A, is approximately 60 boe per day.

The Corporation achieved operating and transportation costs of \$8.31/boe, which is low for a combined oil and natural gas producer with a small scale of operation, and incurred low royalty rate of 5 percent. Production for the quarter averaged a modest 74 boepd (89 percent natural gas). This resulted in modest but still positive cash flow from production (revenue less royalties, production and transportation expenses) and a net loss for the quarter.

Going forward, the Corporation will remain conservative in its capital spending while investigating all potential sources of additional capital and funding. The management team at Questfire continues to prospect for oil-drilling opportunities while evaluating producing oil and natural gas assets that are for sale

We are currently seeing a slow resolution to the North American natural gas oversupply issues, via sharply reduced natural gas drilling, particularly of “dry” gas targets, and increased natural gas consumption for power generation. This led to a fairly sudden rebound in natural gas prices in late summer and early fall, with signs of some stability and investor confidence returning to the equity markets. Although the price rebound remains modest in dollars, to approximately \$3.30 per mmbtu at AECO in early November, it amounted to an almost 50 percent gain from the year-to-date average price and was essentially back to year-ago levels. This is highly positive for lower-cost operators such as Questfire and, if sustained, will have a material impact on revenues.

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 and nine months ended September 30, 2012, including the Corporation’s accompanying MD&A, please refer to the SEDAR website at [www.sedar.com](http://www.sedar.com) or contact the Corporation at Questfire Energy Corp., 400, 703 – 6<sup>th</sup> 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](mailto:rwilliams@questfire.ca)

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