



CALGARY, ALBERTA – April 8, 2013

QUESTFIRE ENERGY CORP. PROVIDES ACQUISITION UPDATE.

Questfire Energy Corp. (“Questfire” or the “Company”) (TSX-V: Q.A and Q.B) provides the following update on the previously announced acquisition of approximately 5,900 boe/d of producing assets (“the Assets”) effective November 1, 2012 from Advantage Oil & Gas Ltd. (“Advantage”).

Transaction Terms:

The previously announced transaction terms have been modified as follows:

- The acquisition is now anticipated to close on or before April 30, 2013 and is subject to satisfaction of customary closing conditions.
- The total consideration will consist of \$40 million of cash, a \$44 million Convertible Senior Secured Debenture (the “Debenture”) and 1.5 million class B shares. All net revenues accruing as part of customary closing adjustments between the effective date of November 1, 2012 and the closing date will be paid to Advantage thereby reducing the principal amount of the debenture. Closing adjustments are estimated to be in the \$10 million range.
- Advantage is given the option to appoint up to two board members to the Board of Directors of Questfire. The appointees are to be mutually agreed to by Questfire and Advantage.

Financing Arrangements:

The Credit Facilities

Questfire will fund the cash portion of the purchase price by entering into Credit Facilities with National Bank of Canada (“NBC”). These Credit Facilities will provide for a revolving operating demand loan of \$60 million, subject to closing conditions. In addition to other customary banking fees, Questfire has agreed to pay National Bank Financial Inc. a success fee conditional on closing of the Asset purchase and the Credit Facilities.

The Debentures

The Debentures will have a three-year term and will be secured but will be subordinate to the Credit Facilities. Interest will be payable quarterly in arrears at the following per annum rates commencing June 30, 2013:

- 6% for the period from closing to April 30, 2014;
- 7% for the period from May 1, 2014 to April 30, 2015;
- 9% for the period from May 1, 2015 to maturity.

The Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (i) in cash; (ii) by delivering freely tradable Class A Shares to the debenture trustee, for sale, to satisfy the interest obligations in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest payable, from the proceeds of the sale of such Class A Shares; or (iii) any combination of (i) and (ii) above.

The Debentures will be convertible into Class A Shares at the 20 day volume-weighted average trading price at the option of the holder for a period of 30 days following the occurrence of any of the events listed below:

- (i) if the Corporation chooses to pay interest by delivering shares to the debenture trustee as described above;
- (ii) any event of default;
- (iii) any conversion by the Corporation of Class B Shares into Class A Shares;
- (iv) the date 30 months from closing;
- (v) upon the occurrence of a Change of Control; or
upon an equity financing by the Corporation whereby the holder of a Debenture has the option of conversion (at the financing price), up to a maximum of 50% of the total shares issued in the financing, unless mutually agreed to otherwise.

Production and Reserves Data

Production

The current productivity of the Assets based on field estimates is approximately 5,700 boe/d comprised of 27.4 MMscfd of natural gas, 485 bbls/d of light oil and 650 bbls/d of NGLs. Production at closing is anticipated to be in the 5,600 to 5,700 boe/d range, consistent with an overall production decline rate of approximately 10% per year.

Reserves

Sproule Associates Limited has prepared for Advantage a September 30, 2012 computer recalculation of its December 31, 2011 reserves report to isolate the Assets from the other oil and gas assets evaluated in the December 31, 2011 reserve report and using the Sproule August 31, 2012 price forecasts (the “ Sproule September 30, 2012 Report”). The reserves have been estimated independently in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* and the COGE Handbook. An excerpt from the Sproule September 30, 2012 Report showing the reserves associated with the Assets to be acquired by Questfire is set forth below:

SUMMARY OF OIL AND GAS RESERVES
as at September 30, 2012

RESERVES CATEGORY	LIGHT AND MEDIUM OIL	HEAVY OIL	NATURAL GAS ⁽¹⁾	NATURAL GAS LIQUIDS	TOTAL OIL EQUIVALENT
	Gross ⁽²⁾ (Mbbbl)	Gross ⁽²⁾ (Mbbbl)	Gross ⁽²⁾ (MMcf)	Gross ⁽²⁾ (Mbbbl)	Gross ⁽²⁾ (Mboe)
PROVED Developed Producing	1,121.2	3.9	79,612	1,953.7	16,347.4
TOTAL PROVED	1,207.5	3.9	99,694	2,245.4	20,072.5
TOTAL PROVED PLUS PROB.	2,026.8	9.4	144,509	3,199.3	29,320.3

(1) Estimates of Reserves of natural gas include associated and non-associated gas.

(2) “Gross Reserves” are Corporation’s working interest share of remaining reserves before the deduction of royalties owned by others.

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
as at September 30, 2012
FORECAST PRICES AND COSTS

RESERVES CATEGORY	Before Income Tax Discounted at (%/year)					After Income Taxes Discounted at (%/year)				
	0% (\$000's)	5% (\$000's)	10% (\$000's)	15% (\$000's)	20% (\$000's)	0% (\$000's)	5% (\$000's)	10% (\$000's)	15% (\$000's)	20% (\$000's)
PROVED										
Developed										
Producing	291,047	202,080	154,170	124,488	104,439	241,167	169,482	130,821	106,782	90,472
Developed										
Non-Producing	6,481	4,946	3,879	3,111	2,544	4,860	3,685	2,871	2,289	1,860
Undeveloped	<u>41,672</u>	<u>24,633</u>	<u>13,963</u>	<u>6,941</u>	<u>2,152</u>	<u>31,254</u>	<u>17,442</u>	<u>8,787</u>	<u>3,098</u>	<u>(769)</u>
TOTAL PROVED	339,200	231,659	172,012	134,540	109,135	277,281	190,610	142,479	112,169	91,563
PROBABLE	<u>255,100</u>	<u>124,985</u>	<u>75,442</u>	<u>51,466</u>	<u>37,815</u>	<u>189,884</u>	<u>93,451</u>	<u>56,277</u>	<u>38,222</u>	<u>27,937</u>
TOTAL PROVED PLUS PROB.	<u>594,300</u>	<u>356,645</u>	<u>247,454</u>	<u>186,006</u>	<u>146,950</u>	<u>467,165</u>	<u>284,061</u>	<u>198,756</u>	<u>150,391</u>	<u>119,500</u>

Notes:

- (1) Values are calculated by considering estimated tax pools to be earned by Questfire from successfully completing the acquisition of the Assets, and take into account current federal tax regulations. Values do not represent an estimate of the value at the business entity level, which may be significantly different.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS⁽¹⁾
as at August 31, 2012
FORECAST PRICES AND COSTS

Year	WTI Cushing Oklahoma (\$US/bbl)	Light Sweet Crude Oil at Edmonton 40° API (\$Cdn/bbl)	Medium Crude Oil 29° API (\$Cdn/bbl)	Hardisty Heavy 12° API (\$Cdn/bbl)	NATURAL GAS AECO-C Spot (\$Cdn/ MMBtu)	NATURAL GAS LIQUIDS Edmonton Pentanes Plus (\$Cdn/bbl)	NATURAL GAS LIQUIDS Edmonton Butanes (\$Cdn/bbl)	INFLATION RATES %/Year	EXCHANGE RATE ⁽²⁾ (\$US/\$Cdn)
2011	95.00	95.16	87.86	69.10	3.72	104.12	70.93	1.5	1.012
Forecast ⁽³⁾									
2012	92.25	88.03	80.99	61.62	2.74	98.36	65.62	2.0	0.992
2013	93.57	94.36	86.81	71.71	3.28	101.03	70.33	2.0	0.992
2014	91.20	91.97	84.61	69.90	3.68	98.47	68.55	2.0	0.992
2015	91.79	92.57	85.16	70.35	4.45	99.11	68.99	2.0	0.992
2016	99.37	100.21	92.19	76.16	5.82	107.29	74.69	2.0	0.992
2017	101.35	102.21	94.03	77.68	5.94	109.44	76.18	2.0	0.992
2018	103.38	104.25	95.91	79.23	6.06	111.62	77.71	2.0	0.992
2019	105.45	106.34	97.83	80.82	6.19	113.86	79.26	2.0	0.992
2020	107.56	108.47	99.79	82.43	6.32	116.13	80.85	2.0	0.992
2021	109.71	110.64	101.79	84.08	6.45	118.46	82.46	2.0	0.992
2022	111.90	112.85	103.82	85.77	6.59	120.83	84.11		
	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%		

Notes:

- This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
- The exchange rate used to generate the benchmark reference prices in this table.
- As at August 31, 2012.

It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and the variances could be material. The recovery and reserve estimates of the crude oil, NGLs and natural gas reserves related to the Assets provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein.

The TSXV has requested, and is currently reviewing, a Filing Statement from Questfire which discloses further detail on deal terms, financing arrangements, detailed reserves data and pro-forma financial information. Upon completion, the Filing Statement will be filed and available for viewing on SEDAR.

Completion of the proposed transaction is subject to a number of conditions including, without limitation, approval of the TSX Venture Exchange.

Questfire was formed to participate in oil and natural gas exploration, development and production in Canada. In particular, Questfire intends to generate and develop its own prospects, acquire oil and natural gas properties and participate with joint venturers and other industry partners in oil and gas exploration and development in the Western Canada Sedimentary Basin.

The Class A Shares and Class B Shares are listed on the TSX Venture Exchange under the trading symbols Q.A and Q.B respectively. The Corporation currently has 12,813,001 Class A shares and 555,840 Class B shares outstanding.

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 including banking arrangements, 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 under current commodity prices 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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