



CALGARY, ALBERTA – NOVEMBER 20, 2013

QUESTFIRE ENERGY CORP. ANNOUNCES 2013 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 and nine months ended September 30, 2013.

Financial and Operating Highlights

	Three months ended September 30, 2013		September 30, 2012		Nine months ended September 30, 2013		2012	
Financial								
Oil and natural gas sales	\$	14,040,260	\$	138,123	\$	24,636,922	\$	296,167
Funds flow from operations ⁽¹⁾		5,211,946		(282,642)		7,137,230		(915,162)
Per share, basic		0.40		(0.02)		0.55		(0.07)
Per share, diluted		0.07		(0.02)		0.14		(0.07)
Income (loss)		(334,256)		(567,545)		77,178		(2,134,276)
Per share, basic		(0.03)		(0.04)		0.01		(0.17)
Per share, diluted		(0.03)		(0.04)		0.01		(0.17)
Capital expenditures		2,847,732		777,103		3,891,634		2,493,064
Property acquisitions		1,522,782		-		82,159,743		-
Working capital (deficit) <i>(end of period)</i>						(44,373,757)		29,342
Non-current debentures <i>(end of period)</i>						(30,709,720)		(1,326,613)
Shareholders’ deficiency <i>(end of period)</i>						(1,829,505)		(710,941)
Shares outstanding <i>(end of period)</i>								
Class A						12,963,001		12,813,001
Class B						2,055,840		555,840
Options outstanding <i>(end of period)</i>						1,791,000		1,281,000
Weighted-average basic shares outstanding		12,963,001		12,813,001		12,893,221		12,813,001
Weighted-average diluted shares outstanding		12,963,001		12,813,001		14,481,900		12,813,001
Class A share trading price								
High		1.25		0.50		1.47		1.20
Low		0.65		0.45		0.50		0.40
Close		1.00		0.50		1.00		0.50
Operations ⁽²⁾								
Production								
Natural gas <i>(Mcf/d)</i>		25,443		397		14,427		352
NGL <i>(bbls/d)</i>		621		5		348		3
Crude oil <i>(bbls/d)</i>		447		3		266		2
Total <i>(boe/d)</i>		5,308		74		3,018		63

Benchmark prices				
Natural gas				
AECO (Cdn\$/GJ)	2.32	2.16	2.90	2.01
Crude oil				
WTI (US\$/bbl)	105.82	92.18	98.15	96.16
Edmonton par (Cdn\$/bbl)	105.17	84.77	95.57	87.28
Average realized prices				
Natural gas (per Mcf)	2.58	2.47	2.99	2.18
Natural gas liquids (per bbl)	66.21	64.97	62.01	67.14
Crude oil (per bbl)	102.61	83.52	95.89	79.59
Operating netback (per boe)	12.32	11.04	13.32	7.44
Funds flow netback (per boe)	10.67	(41.84)	8.66	(53.05)

⁽¹⁾ For a description of Funds flow from operations, refer to the commentary in the Management's Discussion and Analysis under Non-GAAP measures.

⁽²⁾ For a description of the boe conversion ratio, refer to the commentary in the Management's Discussion and Analysis under Basis of Barrel of Oil Equivalent.

Third Quarter 2013 Corporate Highlights

- Averaged production of 5,308 boe per day, 80 percent natural gas.
- Achieved record quarterly sales of \$14.04 million.
- Achieved record funds flow from operations of \$5.21 million (\$0.40 per basic share).
- Made capital expenditures of \$2.85 million, focused on facility maintenance, well work-overs and participation in non-operated horizontal oil drilling.
- Surveyed five 100 percent working interest oil drilling locations at Open Lake. Exiting the quarter, land work was underway for three 100 percent working interest drilling locations at Bow Island and Thorsby.

President's Message

The third quarter of 2013 marked the first full quarter of operations following the previously announced Advantage asset acquisition on April 30, 2013. During the quarter the Corporation achieved a number of all-time highs including record high production, revenue and funds flow from operations. We are very pleased with the acquired assets, which continue to produce as expected with relatively low decline profiles, and are serving as a solid foundation for Questfire's growth plans with oil drilling to commence in this quarter.

Facility maintenance was a priority during the quarter, with four major compressor overhauls performed as well as a significant natural gas plant turnaround in the Lookout Butte field during September. Field staff did an excellent job of minimizing this scheduled downtime, helping to achieve average quarterly production of 5,308 boe per day during the quarter.

Questfire's technical team was busy throughout the quarter, identifying and preparing drilling locations for the fourth quarter and beyond. Up to 17 infill drilling locations, targeting Deep Basin light oil zones, have been identified at Open Lake. Five of these seventeen locations, all at 100 percent working interest, were surveyed during the quarter, with drilling planned for late in the fourth quarter of 2013 and the first quarter of 2014. Other locations being prepared for the fourth-quarter drilling program include two 100 percent exploratory oil well locations in Bow Island in Southeast Alberta and a 100 percent working interest oil location in the Thorsby field in Central Alberta. We also elected to participate in the drilling of a horizontal oil well in the Wildmere field, with a one-third non-operated working interest, which will be drilled in the fourth quarter.

Questfire's strategy for the fourth quarter 2013 is to employ a modest capital budget of approximately \$4 million. This capital spending is to be financed primarily from cash flow and is focused mainly on increasing light oil production via drilling and recompletion opportunities on our asset base, as well as on the maintenance and optimization of our producing natural gas assets. If warranted by drilling success, Questfire has sufficient bank line room (approximately \$17 million) to accelerate oil development.

At the time of this report, the winter heating season is commencing, with North American natural gas storage just starting to transition from net injection to net withdrawal. Although current natural gas prices are at levels comparable to a year ago, we believe the fundamentals for the continued strengthening of natural gas prices are in place. Natural gas consumption continues to grow and the industry is making progress on a number of liquefied natural gas (LNG) export projects around North America, which we believe will drive increased future demand over the medium to longer term. On the supply side, overall North American natural gas production is slowly reaching a plateau, with most basins showing declining or flat natural gas production.

The Questfire team will continue to carefully manage the asset base and will continue to protect cash flow with an active commodity price hedging program. Our main goals continue to be to maintain and optimize natural gas production while increasing our oil production and overall cash flow without significantly increasing overall debt.

Questfire issued 75,000 options to a director pursuant to its stock option plan. The options have an exercise price of \$0.95 per share and will expire on November 19, 2023. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 are available for the grant of stock options to the director. The Corporation has further determined that an exemption from the various requirements of Multilateral Instrument 61-101 is available as the fair market value of the grant of options is less than 25% of the market capitalization of the Corporation.

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 12,963,001 Class A shares and 2,055,840 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, 2013, 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., 500, 400 – 3rd Ave S.W., Calgary, Alberta, T2P 4H2.

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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