



CALGARY, ALBERTA – MAY 22, 2014

QUESTFIRE ENERGY CORP. ANNOUNCES 2014 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, 2014.

Financial and Operating Highlights

	Three months ended March 31,	
	2014	2013
Financial		
Oil and natural gas sales	\$ 20,955,819	\$ 64,121
Funds flow from (used in) operations ⁽¹⁾	8,389,817	(951,247)
Per share, basic	0.65	(0.07)
Per share, diluted	0.18	(0.07)
Income (loss)	14,375,280	(1,102,943)
Per share, basic	1.11	(0.09)
Per share, diluted	0.32	(0.09)
Capital expenditures	3,176,003	210,515
Working capital deficit (end of period) ⁽²⁾	44,616,550	2,838,335
Long-term contract obligation (end of period)	14,665,231	-
Non-current debentures (end of period)	-	1,379,009
Shareholders' equity (deficiency) (end of period)	10,413,501	(3,164,588)
Shares outstanding (end of period)		
Class A	12,963,001	12,813,001
Class B	2,055,840	555,840
Options outstanding (end of period)	2,056,000	1,281,000
Warrants outstanding (end of period)	1,510,000	1,510,000
Weighted-average basic shares outstanding	12,963,001	12,813,001
Weighted-average diluted shares outstanding	48,343,594	12,813,001
Class A share trading price		
High	1.85	0.70
Low	1.45	0.50
Close	1.70	0.50
Operations ⁽³⁾		
Production		
Natural gas (Mcf/d)	23,392	79
NGL (bbls/d)	669	1
Crude oil (bbls/d)	406	5
Total (boe/d)	4,974	19

	Three months ended March 31,	
	2014	2013
Benchmark prices		
Natural gas		
AECO (Cdn\$/GJ)	5.45	3.03
Crude oil		
WTI (US\$/bbl)	98.68	94.35
Edmonton par (Cdn\$/bbl)	100.18	88.60
Average realized prices ⁽⁴⁾		
Natural gas (per Mcf)	5.97	3.48
Natural gas liquids (per bbl)	82.05	63.26
Crude oil (per bbl)	94.48	84.01
Operating netback (per boe)	24.87	16.41
Funds flow netback (per boe)	18.74	(568.25)

⁽¹⁾ See "Additional GAAP measure".

⁽²⁾ 2014 Working capital deficit includes risk management contracts of \$3,325,181 and convertible debentures of \$1,408,802. The convertible debentures mature on June 30, 2014 and are convertible at \$0.50 per Class A share. Excluding these two items, the working capital deficit would be \$39,882,567.

⁽³⁾ For a description of the boe conversion ratio, see "Basis of Barrel of Oil Equivalent".

⁽⁴⁾ Before hedging.

First Quarter 2014 Corporate Highlights

- Achieved average production of 4,974 boe per day, 78 percent natural gas.
- Achieved record quarterly sales of \$21.0 million and record funds flow from operations of \$8.4 million (\$0.65 per basic share).
- Made capital expenditures of \$3.2 million, focused on drilling, well workovers, recompletions and facility maintenance and optimization.
- Repurchased \$32.6 million of the 2013 Debentures, for a purchase price of \$13.6 million.
- Subsequent to quarter-end, on May 5, 2014, Questfire repurchased 1,505,400 million Class B shares at \$2.60 per share.

President's Message

First Quarter 2014 Developments

Strong Realized Natural Gas Prices

The first quarter of 2014 showcased Questfire's leverage to increasing natural gas prices. With approximately 70 percent of our gas production having no ceiling price, the average realized natural gas price for the quarter was \$5.97 per mcf. This helped achieve record quarterly sales of \$21 million, record quarterly funds flow of \$8.4 million and a record average operating netback of \$24.87 per boe. Due to the cold winter weather experienced in much of North America, natural gas storage inventories at the end of the first quarter reached lows not seen since 2003, which is helping to support forward natural gas prices for the remainder of 2014 and beyond.

Significant Corporate Deals

Three highly significant corporate deals occurred in the first quarter, all of which have been press released. The first was the repurchase of the \$32.6 million of 2013 Debentures for \$13.6 million, which closed on March 26. The second was an Issuer Bid for Questfire's Class B shares at \$2.60 per share. It was mailed out on March 31 and, subsequent to the first quarter, on May 5 was closed with 1.5054 million Class B Shares tendered to the bid. The third deal was a long-term joint venture financing arrangement with Stream Asset Financial Questfire LP, raising \$15 million which Questfire used to finance the other two transactions. The result of these deals is a significant reduction in our overall debt, simplification of our share structure, with a 73 percent reduction in Class B shares outstanding, and a reduction of dilution risk to the Class A shareholders.

Oil Focused Operations

Operational activities during the first quarter incurred \$3.2 million of capital spending, of which approximately \$2.28 million was spent on drilling, completion and workovers. While the spending level was modest, our results have been very encouraging and are expected to lead to significant drilling activity and incremental oil production over the remainder of the year.

Our emerging heavy oil plays in East-Central Alberta experienced a number of successes in the first quarter. A 100 percent working interest stratigraphic test well, drilled in February in the Mannville field, encountered 14 metres of oil-bearing sands which include 7 metres of 14 API oil pay in the Sparky Formation. The Sparky has been the target of significant horizontal drilling activity adjacent to Questfire's land and in the broader area. Questfire has acquired a surface pad-site and is making preparations for drilling up to 16, 100 percent working interest, conventional heavy oil horizontal wells. The first of these is expected to be drilled in late May or early June.

In January a 33.33 percent working interest Lloydminster horizontal oil well in the Auburndale field was completed, equipped and placed on production at a gross oil rate of approximately 125 bbls per day. Current gross production is still over 110 bbls per day, exceeding our expectations. Up to 15 gross additional horizontal wells may be drilled on this play, with Questfire holding a 33.33 percent working interest. In the Wildmere field, Questfire operated the shooting of a 10.4 square kilometre 3D seismic program targeting the Sparky Formation. The results are highly encouraging and may lead to the drilling of up to 13 horizontal oil wells, with a 25 percent Questfire working interest.

In the Open Lake field in West Central Alberta, the 100 percent working interest vertical 13-27 Ostracod light oil well, drilled in late 2013, was completed and placed on production in January 2014 as a flowing oil well with very low drawdown and production of approximately 40 boe per day (50 percent light oil). Installation of artificial lift following spring break-up is expected to double production. During the quarter Questfire continued preparations to drill three additional vertical locations, which will commence after spring break-up. A further nine, 100 percent working interest light oil drilling locations have been identified in the Open Lake field.

2014 Outlook

The remainder of Questfire's \$20 million 2014 capital budget will be focused mainly on light oil drilling at our Open Lake field and on our heavy oil plays in the Mannville, Auburndale and Wildmere fields in East Central Alberta, as well as on lower-cost well and facility optimization projects in our gas properties. Our previous guidance remains unchanged, with target average annual production of 5,200–5,300 boe per day, and a year-end target rate of 5,500 boe per day with a 28 percent oil and NGL weighting. Funds flow from operations is forecast to be \$25-\$28 million for the year. We expect to exit the year with bank debt of approximately \$36 million.

With three significant corporate deals completed so far this year, stronger than expected natural gas prices and a growing inventory of drill-ready oil prospects, 2014 is shaping up to be a very exciting year for Questfire.

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 13,013,001 Class A shares and 550,440 Class B shares outstanding.

To view a full copy of the Corporation's unaudited financial results for the period ended March 31, 2014, including the Corporation's unaudited financial statements and 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 under current commodity price conditions is in the range of 20-25 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

FOR FURTHER INFORMATION PLEASE CONTACT:

Mr. Richard Dahl
President and CEO
(403) 263-6691
(403) 263-6683 (fax)

Mr. Ronald Williams
Vice President, Finance and CFO
(403) 263-6658
(403) 263-6683 (fax)

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Not for dissemination in the United States or to U.S. persons.