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QUESTFIRE ENERGY CORP. ANNOUNCES 2014 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, 2014.

Financial and Operating Highlights

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Financial				
Oil and natural gas sales	\$ 17,614,154	\$ 14,040,260	\$ 55,700,544	\$ 24,636,922
Funds flow from operations ⁽¹⁾	5,102,045	5,211,946	17,902,295	7,137,230
Per share, basic	0.29	0.40	1.23	0.55
Per share, diluted	0.24	0.07	0.60	0.14
Income (loss)	648,466	(527,104)	23,195,263	(248,933)
Per share, basic	0.04	(0.04)	1.59	(0.02)
Per share, diluted	0.03	(0.04)	0.81	(0.02)
Capital expenditures	9,926,522	2,847,732	16,342,849	3,891,634
Property acquisitions (dispositions)	-	1,522,782	(3,792,346)	84,788,453
Working capital deficit <i>(end of period)</i> ⁽²⁾			10,478,521	44,373,757
Long-term contract obligation <i>(end of period)</i> ⁽³⁾			14,480,340	-
Long-term bank debt <i>(end of period)</i>			37,000,000	-
Non-current debentures <i>(end of period)</i>			-	30,709,720
Shareholders’ equity (deficiency) <i>(end of period)</i>			22,141,002	(2,155,616)
Shares outstanding <i>(end of period)</i>				
Class A			17,318,001	12,963,001
Class B			550,440	2,055,840
Options outstanding <i>(end of period)</i>			2,646,000	1,791,000
Warrants outstanding <i>(end of period)</i>			-	1,510,000
Weighted-average basic shares outstanding	17,298,436	12,963,001	14,575,822	12,893,221
Weighted-average diluted shares outstanding	18,838,010	12,963,001	30,134,021	12,893,221
Class A share trading price				
High	2.75	1.25	2.75	1.47
Low	2.35	0.65	0.95	0.50
Close	2.51	1.00	2.51	1.00

	Three months ended		Nine months ended	
	2014	September 30, 2013	2014	September 30, 2013
Operations ⁽⁴⁾				
Production				
Natural gas (Mcf/d)	23,936	25,443	23,152	14,427
NGL (bbls/d)	712	621	661	348
Crude oil (bbls/d)	507	447	449	266
Total (boe/d)	5,208	5,308	4,969	3,018
Benchmark prices				
Natural gas				
AECO (Cdn\$/GJ)	3.81	2.32	4.57	2.90
Crude oil				
WTI (US\$/bbl)	97.17	105.82	99.61	98.15
Canadian Light (Cdn\$/bbl)	97.71	105.17	100.53	95.57
Average realized prices ⁽⁵⁾				
Natural gas (per Mcf)	4.16	2.58	4.98	2.99
Natural gas liquids (per bbl)	63.87	66.21	70.66	62.01
Crude oil (per bbl)	91.40	102.61	93.67	95.89
Operating netback (per boe)	15.74	12.32	19.07	13.32
Funds flow netback (per boe)	10.65	10.67	13.20	8.66

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

⁽²⁾ Working capital deficit includes risk management contracts of \$764,107 (September 30, 2013 - \$1,606,257). Excluding this, the working capital deficit would be \$9,714,414 (September 30, 2013 - \$42,767,500).

⁽³⁾ Long-term contract obligation excludes current portion of \$357,853, which is included in working capital deficit.

⁽⁴⁾ For a description of the boe conversion ratio, see "Basis of Barrel of Oil Equivalent".

⁽⁵⁾ Before hedging.

Third Quarter 2014 Corporate Highlights

- Achieved average production of 5,208 boe per day, 77 percent natural gas.
- Generated quarterly sales of \$17.6 million and funds flow from operations of \$5.1 million (\$0.29 per basic share).
- Made capital expenditures of \$9.9 million, focused on drilling, well workovers, recompletions and facility maintenance and optimization.
- Participated in the drilling of 15 gross (7.1 net) wells with an overall success rate of 93 percent; 11 of the 15 wells were horizontal oil wells.
- Exited the third quarter with production capability in excess of 5,400 boe per day, with approximately 200 boe per day awaiting tie-in.

President's Message

Third Quarter 2014 Developments

The third quarter was very active on the drilling front for Questfire. During the quarter Questfire participated in the drilling of 15 gross (7.1 net) wells of which 11 (4.1 net) were horizontal oil wells. Fourteen of the 15 wells drilled were successful resulting in an overall drilling success rate of 93 percent. Questfire's high level of drilling activity in the quarter incurred capital spending of \$9.9 million, a quarterly high for the Corporation. Drilling and capital spending is expected to be significantly lower in the fourth quarter as the focus shifts away from drilling and to bringing on production from the third quarter drilling program.

Operational highlights include the successful drilling at Auburndale in East Central Alberta where nine gross (three net) horizontal oil wells were drilled targeting heavy oil in the Lloydminster Formation. Subsequent to the end of the quarter an additional two (0.7 net) horizontal oil wells have been drilled. Total gross oil production from the 12 horizontal wells at Auburndale is expected to reach approximately 900 bbls per day by mid-November, of which Questfire has a 33 percent working interest. Another highlight has been the production performance of the 100 percent working interest Open Lake 9-21 well drilled late in the second quarter and brought on production in early August at approximately 300 boe per day. After three months the 9-21 well is producing in excess of 220 boe per day (32 percent oil and NGLs) from the Ostracod Formation with low decline. Questfire is making preparations for an additional five 100 percent working interest drilling locations in the Open Lake field.

Production for the quarter averaged 5,208 boe per day (23 percent oil and NGLs), a quarterly high for 2014. Also positive is that daily oil and NGL production was up over the third quarter of 2013 to a record quarterly average for Questfire, with our oil and liquids weighting gradually climbing. At the end of the third quarter the Corporation had production capability in excess of 5,400 boe per day. At the time of this report Questfire's production is over 5,500 boe per day, putting the Corporation on track to meet or exceed its 2014 exit production rate target of 5,500 boe per day.

Natural gas prices declined during the third quarter as moderate summer weather in North America reduced the demand for air conditioning and natural gas-fired electricity. This along with record high natural gas production in the United States continues to put downward pressure on natural gas prices, with the storage build having continued through the end of October. At the time of this report gas prices have strengthened slightly as colder weather has arrived in North America, along with the imminent end of the gas storage injection season. Gas storage levels remain below the five-year average heading into the winter heating season, which may result in further strengthening of gas prices.

Subsequent to the third quarter Questfire entered into additional gas hedges, mainly in the form of puts to protect a \$3.00 per GJ floor price. Approximately 70 percent of 2015 forecast gas production is protected by hedges, as detailed in the accompanying management's discussion and analysis. Questfire's oil plays are economic at current oil prices in the US\$80/bbl WTI range. Questfire's management team will closely monitor commodity pricing and our cash flow, adjusting capital spending as necessary to stay within cash flow. Over the longer term we expect the fundamentals of world supply and demand to strengthen both oil and natural gas prices.

The remainder of 2014 will be busy for the Questfire team with the recently drilled wells coming on production and with continued non-operated oil drilling of one gross (0.5 net) horizontal well in the Belly River Formation in the Pembina field and two to four gross (0.5 to one net) heavy oil horizontal wells to be drilled in the Wildmere field.

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 17,318,001 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 September 30, 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., 1100, 350 – 7th Ave S.W., Calgary, Alberta, T2P 3N9.

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 excess of 20 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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