**CALGARY, ALBERTA – APRIL 9, 2015**

# QUESTFIRE ENERGY CORP. ANNOUNCES 2014 FINANCIAL RESULTS AND FILES ITS ANNUAL INFORMATION FORM

Questfire Energy Corp. (the "Corporation" or "Questfire") (TSX Venture – Q.A, Q.B) is pleased to announce that it has filed on SEDAR its audited financial statements, related management's discussion and analysis (MD&A) and Annual Information Form (AIF) for the year ended December 31, 2014. Included in the AIF are the Corporation's reserves data and other oil and gas information as of December 31, 2014 as prepared by GLJ Petroleum Consultants Ltd. (GLJ), the Corporation's independent reserves evaluator. The evaluation was prepared in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

## Financial and Operating Highlights

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| **Financial** | | | | |
| Oil and natural gas sales | **$ 15,918,460** | $ 15,900,716 | **$ 71,619,004** | $ 40,537,638 |
| Funds flow from operations [1] | **5,210,979** | 4,782,463 | **23,113,274** | 11,919,693 |
| Per share, basic | **0.30** | 0.37 | **1.51** | 0.92 |
| Per share, diluted | **0.24** | 0.08 | **0.83** | 0.25 |
| Income (loss) | **1,600,035** | (1,929,541) | **24,795,298** | (2,178,474) |
| Per share, basic | **0.09** | (0.15) | **1.62** | (0.17) |
| Per share, diluted | **0.08** | (0.15) | **0.92** | (0.17) |
| Capital expenditures | **2,863,699** | 4,302,399 | **19,206,548** | 8,194,033 |
| Property acquisitions (dispositions) | **-** | - | **(3,792,346)** | 84,788,453 |
| Working capital deficit *(end of year)* [2] | | | **4,787,471** | 47,554,483 |
| Long-term contract obligation *(end of year)* [3] | | | **14,500,145** | - |
| Long-term bank debt *(end of year)* | | | **39,000,000** | - |
| Non-current debentures *(end of year)* | | | **-** | 31,002,508 |
| Shareholders' equity (deficiency) *(end of year)* | | | **23,913,511** | (4,023,402) |
| Shares outstanding *(end of year)* | | | | |
| Class A | | | **17,318,001** | 12,963,001 |
| Class B | | | **550,440** | 2,055,840 |
| Options outstanding *(end of year)* | | | **2,676,000** | 1,971,000 |
| Warrants outstanding *(end of year)* | | | **-** | 1,510,000 |
| Weighted-average basic shares outstanding | **17,318,001** | 12,963,001 | **15,267,001** | 12,910,809 |
| Weighted-average diluted shares outstanding | **21,549,892** | 12,963,001 | **28,452,243** | 12,910,809 |
| Class A share trading price | | | | |
| High | **2.51** | 1.30 | **2.75** | 1.47 |
| Low | **1.70** | 0.92 | **0.95** | 0.50 |
| Close | **1.76** | 1.03 | **1.76** | 1.03 |

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| **Operations** [4] | | | | |
| Production | | | | |
| Natural gas *(Mcf/d)* | **24,868** | 24,630 | **23,585** | 16,998 |
| Natural gas liquids (NGL) *(bbls/d)* | **712** | 718 | **674** | 441 |
| Crude oil *(bbls/d)* | **644** | 467 | **498** | 317 |
| Total *(boe/d)* | **5,501** | 5,290 | **5,103** | 3,591 |
| Benchmark prices | | | | |
| Natural gas | | | | |
| AECO *(Cdn$/GJ)* | **3.42** | 3.34 | **4.28** | 3.01 |
| Crude oil | | | | |
| WTI *(US$/bbl)* | **73.15** | 97.46 | **93.00** | 97.98 |
| Canadian Light *(Cdn$/bbl)* | **75.11** | 86.26 | **94.18** | 93.24 |
| Average realized prices [5] | | | | |
| Natural gas *(per Mcf)* | **3.74** | 3.66 | **4.65** | 3.24 |
| Natural gas liquids *(per bbl)* | **51.38** | 63.71 | **65.52** | 62.71 |
| Crude oil *(per bbl)* | **67.23** | 78.97 | **85.06** | 89.60 |
| Operating netback *(per boe)* [6] | **13.78** | 12.98 | **17.63** | 13.19 |
| Funds flow netback *(per boe)* [6] | **10.30** | 9.83 | **12.41** | 9.09 |

(1) For a description of Funds flow from operations, refer to the commentary in the MD&A under Additional GAAP measures.

(2) Working capital deficit includes risk management contract assets of $2,366,210 (December 31, 2013 – liability of $1,606,257). Excluding this, the working capital deficit would be $7,153,681 (December 31, 2013 - $45,948,226).

(3) Long-term contract obligation excludes current portion of $300,242, 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.

(6) For a description of Operating netback and Funds flow netback, refer to the commentary in the MD&A under Non-GAAP measures.

## 2014 Corporate Highlights

- Achieved average production of 5,103 boe per day for the year, with fourth quarter production of 5,501 boe per day (75 percent natural gas), a 4 percent increase over 5,290 boe per day for the fourth quarter of 2013 and an all-time quarterly high.
- Achieved fourth quarter sales of $15.9 million and funds flow from operations of $5.2 million ($0.30 per basic share).
- Achieved annual sales of $71.6 million and funds flow from operations of $23.1 million ($1.51 per basic share).
- Made capital expenditures of $19.2 million for the year, focused on drilling, well workovers, recompletions and facility maintenance and optimization.
- Participated in the drilling of 32 gross (12.8 net) wells, with an overall success rate of 94 percent; 19 of the 32 wells were horizontal oil wells.
- At year-end, corporate working interest reserves were 16.017 million boe proved producing (PDP), 20.071 million boe total proved (TP) and 30.131 million boe proved plus probable (2P).
- Achieved all-in finding and development (F&D) costs of $7.74 per boe for PDP, $6.82 per boe for TP and $6.28 per boe for 2P reserve additions including all future development capital and technical revisions. Based on the 2014 operating netback of $17.63 per boe, Questfire’s recycle ratios are 2.28 for PDP, 2.59 for TP and 2.81 for 2P reserve additions.
- Repurchased 1,505,400 Class B shares at $2.60 per share.
- Repurchased $32.6 million of 2013 Debentures, for a purchase price of $13.6 million.

- Converted all remaining 2012 Debentures into 2,870,000 Class A shares, extinguishing $1,435,000 of liabilities.
- Sold the Corporation's working interests in Turner Valley (61 boe per day) and other small properties for $3.8 million.

## President's Message

Two-thousand fourteen was a year of significant value creation and operational success for Questfire. As detailed in previous press releases, the repurchase of 1.505 million Class B shares, the repurchase of the 2013 Debentures and the conversion of the 2012 Debentures all occurred in 2014 and have significantly reduced Questfire's liabilities and simplified the Corporation's share structure. We currently have only 17.318 million basic Class A shares (19.994 million including options outstanding) with 56 percent insider ownership and 0.55 million Class B shares, a relatively small and tightly owned share base for a company our size.

Operationally we employed a capital budget of $19.2 million in 2014, of which approximately 70 percent was spent on well drilling, completions and recompletions. This modest capital spending achieved significant results. New production additions more than offset production declines for the year and we achieved our target exit rate of 5,500+ boe per day with fourth quarter average production of 5,501 boe per day, an all-time quarterly high and a 4 percent increase over fourth quarter 2013 production of 5,290 boe per day.

### Low Finding and Development Costs

Questfire added significant oil and gas reserves in 2014 at what may prove to be some of the lowest F&D costs in the industry. Based on the independent 2014 year-end corporate reserve evaluation prepared by GLJ, year-end corporate working interest reserves stood at 16.017 million boe for PDP, 20.071 million boe for TP and 30.131 million boe for 2P. Including production and technical revisions we added 2.375 million boe PDP, 3.147 million boe TP and 6.588 million boe 2P reserves. My team and I are pleased with Questfire's all-in F&D costs, including future development capital, of $7.74 per boe for PDP, $6.82 per boe for TP and $6.28 per boe for 2P reserve additions. These low cost reserve additions were a result of the work of our experienced technical and operations teams which included the previously noted successful drilling program in 2014, facility consolidation and operating cost reduction projects which help extend the economic life of some of our shallow gas properties, recompletion and optimization projects such as uphole gas recompletions at Viking Kinsella and better than expected performance on some of our mature existing properties. The details of the GLJ reserve evaluation are contained in Questfire's AIF which has been filed on SEDAR.

### Operational Successes

In 2014 Questfire spent approximately $13.5 million on drilling, completions and recompletions and participated in the drilling of 32 gross (12.8 net) wells, achieving an overall success rate of 94 percent. Nineteen of the 32 wells were horizontal oil wells. Highlights include the 100 percent working interest new pool discovery well drilled in our Open Lake field at 9-21 which continues to produce in excess of 170 boe per day (40 percent light oil and NGLs) and which has helped de-risk an additional 14 drilling locations in our inventory at Open Lake. Another significant success was the development of the Auburndale Lloydminster heavy oil pool with 12 horizontal (4 net) wells drilled in the second and third quarters of 2014. It is currently producing over 300 bbls per day of oil net to Questfire with low declines.

As part of our ongoing efforts to improve operating efficiency and reduce operating costs, we undertook a number of facility optimization and consolidation projects. These involved shutting in underutilized compressor stations and facilities and rerouting gas production in our shallow gas properties at Oberlin, and Viking Kinsella. This has reduced fixed and variable operating costs and future facility and compressor maintenance costs. Approximately 100 gas gathering pipelines no longer in use were discontinued or abandoned, which will not only meet regulatory requirements but will lead to reduced property taxes in

2015 and beyond. Our focus on reducing operating costs is starting to make an impact with fourth quarter 2014 average operating expenses of $12.94 per boe, down by 6 percent from $13.83 per boe in the fourth quarter of 2013. We will continue to focus on reducing operating costs per boe.

With capital budgets being cut and drilling programs reduced throughout the industry, investors have become very mindful of production declines. I'm pleased to note that Questfire's conventional production base has among the lowest overall rates of decline in western Canada's producing sector. If we were to suspend all drilling, our production would only decline by an estimated 12 to 15 percent in the following year. This provides a significant advantage in today's environment, enabling Questfire to replace its corporate decline and even deliver modest production growth with relatively little drilling and within its operating cash flow – as we have done in 2014.

## Commodity Prices

The fourth quarter of 2014 witnessed the start of a "perfect storm" for commodity prices. Warm winter weather and surging North American natural gas production resulted in an oversupply of natural gas. This quickly eliminated most of the natural gas storage deficit created in the 2013-2014 winter season and depressed natural gas prices. Benchmark crude oil prices were influenced by geopolitical events and commenced a significant decline in November following a decision by OPEC not to reduce production to support world oil prices. Similarly, natural gas liquids (NGLs) have also experienced a sharp price decline due to oversupply and reduced demand for heating in North America. As detailed in the MD&A Questfire has natural gas hedges for 2015 that protect a floor price of $2.85-$3.00 per GJ for 20,000 GJ per day or approximately 80 percent of our 2015 forecast gas production. This provides substantial protection to our cash flow.

I believe that the basic supply and demand market forces plus the passage of time will bring a return of higher commodity prices. The drilling rig count in North America has declined rapidly in response to lower commodity prices. Along with reduced capital spending by exploration and production companies, this will inevitably result in fewer new wells and reduced supply of crude oil and natural gas. Many of the OPEC countries cannot sustain their economies and budgets at current world oil prices and will lobby for OPEC supply restrictions. On the demand side, the world economy is still growing and demand for oil continues to increase, especially in response to the lower costs of transportation fuels. In North America, LNG export terminals will start to come on-line this year and in 2016, driving higher domestic demand and, potentially, higher North American pricing for natural gas.

## 2015 Outlook

For the short term, Questfire has adjusted to the lower commodity price environment by focusing on the factors under the Corporation's control. Capital spending for 2015 has been reduced to $7 to $10 million to stay well within cashflow. The Corporation conducted no new drilling in the first quarter of 2015 and only minor completion, equipping and mandatory capital spending for maintenance and regulatory compliance projects totalling approximately $1.9 million. Our operating efficiency is being carefully reviewed and operating costs are being scrutinized in all areas and reduced. All efforts are being made to maximize third-party gathering and processing revenue while maintaining tight control of our G&A costs. Questfire will carefully monitor commodity prices and adjust its spending to remain within cash flow.

Questfire's drilling and recompletion inventory now stands at an all-time high of 202 gross (166 net) locations, of which 95 percent net are Questfire-operated. The inventory of drilling and recompletion prospects is diverse and ranges from low-cost shallow infill gas drilling to horizontal heavy oil wells in East-Central Alberta, and to horizontal multi-stage wells targeting liquids-rich gas in central Alberta. One of the most exciting opportunities for Questfire is the Falher liquids-rich natural gas play in the Morningside area of central Alberta. Questfire has identified eight potential horizontal drilling locations with an 87.5 percent working interest. The Falher play is being actively developed by a major E&P company in the Morningside area, who has press-released very impressive well results including initial production rates of up to 10 mmscf per day (1,670 boe per day) and natural gas liquids content of 50 bbls per mmscf.

A well license has been granted to Questfire for the drilling of its first horizontal well with a multi-stage fracture completion in the Morningside area. A site has been acquired that will allow the drilling of up to three wells from a common pad, and a pipeline route is being acquired. This well could be drilled in the third quarter and with only a short pipeline tie-in could be on production early in the fourth quarter. Total capital costs will be $2.8 million gross for drilling, completion, equipping and tie-in. A type curve based on nearby wells drilled over the last two years suggests average 90-day initial productivity of approximately 540 boe per day, 25 percent natural gas liquids. With an 87.5 percent working interest and eight horizontal locations in inventory, this play has the potential to be of very high impact to Questfire.

Our current production forecast for 2015, with a $7 to $10 million capital budget, is an average of 5,200-5,300 boe per day. As commodity prices improve, the capital budget may be expanded and production and cash flow forecasts revised.

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 audited financial results for the year ended December 31, 2014, including the Corporation's audited 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.**

***Reserves Definitions & Reader Advisory***

*"**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.*

*"**Probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.*

*"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates being "proved reserves", "probable reserves" and "possible reserves".*

*"**Working Interest Reserves**" is the Corporation's working interest reserves before royalty burdens payable are deducted.*

*Reserves and petroleum and natural gas volumes are stated as a "**barrel of oil equivalent**" (boe), derived by converting gas to an oil equivalency in the ratio of six thousand cubic feet of gas to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet of gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not 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.*

*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.*

**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.

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