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QUESTFIRE ENERGY CORP. ANNOUNCES 2015 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, 2015.

Financial and Operating Highlights

	Three months ended March 31,	
	2015	2014
Financial		
Oil and natural gas sales	\$ 10,854,042	\$ 20,955,819
Funds flow from operations ⁽¹⁾	3,051,539	8,389,817
Per share, basic	0.18	0.65
Per share, diluted	0.13	0.18
Income (loss)	(2,000,065)	14,375,280
Per share, basic	(0.12)	1.11
Per share, diluted	(0.12)	0.32
Capital expenditures	1,648,568	3,176,003
Working capital deficit <i>(end of period)</i> ⁽²⁾	4,102,872	44,616,550
Long-term contract obligation <i>(end of period)</i> ⁽³⁾	14,418,416	14,665,231
Long-term bank debt <i>(end of period)</i>	40,774,076	-
Shareholders' equity <i>(end of period)</i>	\$ 22,088,628	\$ 10,413,501
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>	2,751,000	2,056,000
Warrants outstanding <i>(end of period)</i>	-	1,510,000
Weighted-average basic shares outstanding	17,318,001	12,963,001
Weighted-average diluted shares outstanding	17,318,001	48,343,594
Class A share trading price		
High	\$ 1.76	\$ 1.85
Low	1.18	1.45
Close	\$ 1.39	\$ 1.70

Three months ended March 31,

	2015	2014
Operations ⁽⁴⁾		
Production		
Natural gas (Mcf/d)	22,341	23,392
Natural gas liquids (NGL) (bbls/d)	689	669
Crude oil (bbls/d)	790	406
Total (boe/d)	5,203	4,974
Benchmark prices		
Natural gas		
AECO (Cdn\$/GJ)	\$ 2.60	\$ 5.45
Crude oil		
WTI (US\$/bbl)	48.63	98.68
Canadian Light (Cdn\$/bbl)	53.23	100.18
Average realized prices ⁽⁵⁾		
Natural gas (per Mcf)	2.87	5.97
NGL (per bbl)	33.25	82.05
Crude oil (per bbl)	42.51	94.48
Operating netback (per boe) ⁽⁶⁾	8.96	24.87
Funds flow netback (per boe) ⁽⁶⁾	\$ 6.52	\$ 18.74

⁽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 \$1,695,519 (December 31, 2014 – \$2,366,210). Excluding this, the working capital deficit would be \$5,798,391 (December 31, 2014 – \$7,153,681).

⁽³⁾ Long-term contract obligation excludes current portion of \$310,731, which is included in working capital deficit.

⁽⁴⁾ For a description of the boe conversion ratio, see “Reader Advisory”.

⁽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.

First Quarter 2015 Corporate Highlights

- Achieved average production of 5,203 boe per day for the quarter, 72 percent natural gas, an increase in overall production of 5 percent from the first quarter of 2014.
- Had crude oil production of 790 bbls per day for the quarter, an increase of 95 percent from the first quarter of 2014, due to success in the Corporation’s drilling and optimization programme.
- Achieved quarterly sales of \$10.9 million and funds flow from operations of \$3.1 million (\$0.18 per basic share).
- Achieved per boe operating costs of \$11.57 for the quarter, a decrease of 16 percent from the first quarter of 2014. Overall operating costs of \$5.4 million for the quarter were 13 percent lower than in the first quarter of 2014.
- Minimized capital expenditures for the quarter with \$1.6 million spent on pipeline upgrades at Lookout Butte, on completing and equipping one oil well and on facility maintenance and optimization.

President's Message

The first quarter of 2015 was a challenging quarter for the oil and gas industry, with all commodity prices at multi-year lows. Questfire's realized commodity prices in the quarter were lower by 52 percent for natural gas, 59 percent for natural gas liquids and 55 percent for oil than in the first quarter of 2014.

Given this rapid and significant reduction in commodity prices, Questfire's strategy since late 2014 has been to minimize capital spending and continue to focus on cost reductions. I'm pleased to report that Questfire's field operating costs and overall cost structure have seen significant reductions. Operating costs of \$11.57 per boe for the quarter were 16 percent lower than first quarter 2014 operating costs. The bidding out of services by field staff, facility consolidation and optimization projects at Viking-Kinsella and Oberlin, reduction in electrical power consumption, reduction in labor costs and a general reduction in operating costs related to compliance and maintenance issues helped achieve these savings.

Other significant costs also have declined in the quarter versus a year ago, including transportation (\$0.93 per boe), down 8 percent; G&A costs (\$3.36 per boe including E&E expense), down 13 percent; and total finance expenses (\$3.05 per boe), down 44 percent. A low cost structure is desirable at any time and is essential in the current low commodity price environment. Our positive funds flow from operations of \$3.1 million in the first quarter resulted in large part from these costs reductions.

Questfire is also exercising capital spending discipline. Our goal is to keep capital spending below our cash flow in order not to increase our debt. The \$1.6 million of capital spending in the first quarter included approximately \$1.0 million for mandatory spending related to the sales line upgrades at our Lookout Butte field and for facility maintenance and optimization projects. The remainder was spent completing and equipping an oil well which had been drilled late in the fourth quarter of 2014. Questfire did not expend any capital for new drilling in the first quarter and expects to remain quiet on the drilling front until at least midsummer.

In the first quarter of 2015 Questfire's Board of Directors approved a cash flow capital budget of \$7 million to \$10 million, which may include the drilling of up to three horizontal wells targeting liquids-rich natural gas at Morningside in central Alberta and heavy oil at Viking-Kinsella in east central Alberta. In spite of a large drilling and recompletion inventory of over 160 net locations, Questfire's management team believes it is prudent to maintain a go-slow approach to drilling until commodity prices improve and volatility is reduced. Our overall goal is to add value per share and, consequently, the capital budget and the drilling plans are subject to revision as commodity prices change over the year.

Our low-decline production base continues to perform well, with a current productive capability in the 5,400-5,500 boe per day range. Our base production decline is in the 15 percent range, which allows us to maintain or modestly grow production while spending within cash flow, a significant advantage in any price environment. Our \$7 million to \$10 million capital budget for 2015 includes forecast average production of 5,340 boe per day for the year, a year-over-year increase of 5 percent. First quarter average production of 5,203 boe per day reflected the effects of approximately 300 boe per day of lost production due to downtime at our Lookout Butte field for sales line upgrades and due to restrictions on the Nova gas transmission system in March as well as third-party facility maintenance. We expect outages on the Nova system in Alberta to continue through the second and third quarters of 2015. These outages are unpredictable, may be significant and are a result of inspection and maintenance work being performed by Nova on its gas transmission system as mandated by the National Energy Board in early 2014.

Going forward, the Questfire team will remain focused on further cost reduction measures, exercising capital spending discipline and on identifying and pursuing value creation opportunities.

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 March 31, 2015, 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

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 6,000 cubic feet of gas to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6,000 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 approximately 20 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.

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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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