CALGARY, ALBERTA – November 23, 2016

QUESTFIRE ENERGY CORP. ANNOUNCES 2016 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 interim financial statements and related management's discussion and analysis ("MD&A") for the three and nine month periods ended September 30, 2016.

Financial and Operating Highlights

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	**2016**	2015
Financial				
Oil and natural gas sales	**$ 8,162,248**	$ 9,854,087	**$ 21,734,487**	$ 31,311,111
Funds flow from operations (1)	**1,898,589**	2,628,266	**2,282,301**	8,916,000
Per share, basic	**0.11**	0.15	**0.13**	0.51
Per share, diluted	**0.08**	0.11	**0.10**	0.39
Loss	**(1,635,634)**	(5,330,460)	**(10,280,445)**	(9,234,620)
Per share, basic and diluted	**(0.09)**	(0.31)	**(0.59)**	(0.53)
Capital expenditures	**103,235**	2,309,671	**419,631**	4,872,305
Proceeds from property dispositions	**$ 307,387**	$ -	**2,257,387**	-
Working capital deficit *(end of period)* (2)			**54,528,815**	7,544,177
Long-term contract obligation *(end of period)* (3)			**13,893,316**	14,246,294
Long-term bank debt *(end of period)*			**-**	39,062,046
Shareholders' equity *(end of period)*			**$ 4,381,696**	$ 15,203,140
Shares outstanding *(end of period)*				
Class A			**17,318,001**	17,318,001
Class B			**550,440**	550,440
Options outstanding *(end of period)*			**3,133,500**	3,291,000
Weighted-average basic and diluted shares outstanding	**17,318,001**	17,318,001	**17,318,001**	17,318,001
Class A share trading price				
High	**$ 0.57**	$ 1.60	**$ 0.74**	$ 1.95
Low	**0.33**	1.00	**0.33**	1.00
Close	**$ 0.44**	$ 1.00	**$ 0.44**	$ 1.00

		Three months ended September 30,			Nine months ended September 30,	
		2016		2015		**2016**		2015
Operations [4]								
Production								
Natural gas *(Mcf/d)*		**20,636**		20,684		**21,096**		21,233
Natural gas liquids (NGL) *(bbls/d)*		**691**		627		**710**		638
Crude oil *(bbls/d)*		**414**		522		**443**		638
Total *(boe/d)*		**4,544**		4,596		**4,669**		4,815
Benchmark prices								
Natural gas								
AECO *(Cdn$/GJ)*	**$**	**2.19**	$	2.76	**$**	**1.75**	$	2.62
Crude oil								
WTI *(US$/bbl)*		**44.94**		46.43		**41.33**		51.00
Canadian Light *(Cdn$/bbl)*		**54.19**		55.10		**50.14**		59.09
Average realized prices [5]								
Natural gas *(per Mcf)*		**2.43**		2.95		**1.98**		2.85
NGL *(per bbl)*		**28.19**		31.72		**27.24**		35.13
Crude oil *(per bbl)*		**46.10**		50.13		**41.12**		49.73
Operating netback *(per boe)* [6]		**7.84**		8.65		**4.88**		9.04
Funds flow netback *(per boe)* [6]	**$**	**4.54**	$	6.22	**$**	**1.78**	$	6.78

(1) For a description of Funds flow from operations, refer to the commentary in the MD&A under Funds flow from operations under Critical Accounting Judgments, Estimates and Policies.

(2) Working capital deficit includes risk management contract and convertible Class B share liabilities of $2,095,998 and $5,426,544, respectively (September 30, 2015 – risk management contract assets of $418,474 and convertible Class B share liability of $Nil). Excluding this, the working capital deficit would be $47,006,273 (September 30, 2015 – $7,962,651).

(3) Long-term contract obligation excludes current portion of $381,824 (September 30, 2015 – $332,821), 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.

Third Quarter 2016 Corporate Highlights

- Achieved average production of 4,544 boe per day for the quarter, 76 percent natural gas. The average production of 4,669 boe per day for the first nine months of 2016 is within 3 percent of the 4,815 boe per day produced in the same period of 2015, underscoring the benefits of having a low-decline production base.
- Achieved funds flow from operations of $1.9 million ($0.11 per basic share) on sales of $8.2 million, a substantial improvement from the less than $400,000 in funds flow from operations in the first six months of 2016.
- Minimized capital spending, with total capital expenditures of $103,235.
- Incurred operating costs of $9.70 per boe in the quarter and $10.29 per boe in the first nine months. Operating costs have declined by 14 percent from the first nine months of 2015.
- Incurred general and administration (G&A) costs of $1.0 million for the quarter, representing an 18 percent reduction from the third quarter of 2015.
- Revised the maturity date of the Corporation’s bank facility to November 30, 2016 and amended the terms to include a revised $30 million operating and syndicated facility plus a $14.5 million supplemental facility.

President's Message

The third quarter of 2016 appears to have marked a turning point in natural gas prices. Questfire's realized average gas price in the quarter was $2.43 per Mcf, a 61 percent increase over the $1.51 per Mcf realized in the second quarter of 2016. The higher pricing, along with our continued cost reductions, had a very favourable impact on our funds flow from operations, which totalled nearly $1.9 million in the third quarter. Although this was down somewhat year-over-year, it was up by over 425 percent from $360,000 in the second quarter and was vastly higher than the immaterial funds flow generated in the first quarter. The fundamentals of supply and demand in North America are looking positive for continued improvement in natural gas prices. As well, world oil demand continues to increase and there are signs of cooperation on the part of OPEC and some non-OPEC producers to manage supply. This bodes well for continued improvement in world oil prices.

While commodity prices are largely out of our control, Questfire continues to actively pursue cost reductions and practises spending discipline in all areas while minimizing production declines. Operating costs on a per-boe basis for the first nine months of 2016 were down by 14 percent year-over-year and G&A spending for third quarter was down by 18 percent from the third quarter of 2015. The Corporation has not drilled any wells so far in 2016, and capital spending in the quarter was a very low $103,235. Questfire's production base continues to show a very low base decline rate, which we estimate to be in the range of 10 percent per year. Production averaged 4,669 boe per day in the first nine months, which is within 3 percent of the 4,815 boe per day produced during the same period of 2015, despite there being no drilling in 2016 and only one well drilled in the third quarter of 2015. This low decline rate is a significant advantage for Questfire in the current low commodity price environment, allowing the Corporation to minimize capital spending and focus on cost reduction.

In the third quarter the Corporation announced new banking arrangements with its senior lenders, which require Questfire to reduce bank debt by approximately $15 million by November 30, 2016. We continue to work with our lenders towards this goal. Subsequent to the end of the quarter Questfire disposed of one non-core property, with 23 boe per day of net production, for $1.4 million and is expecting to close the sale of additional assets for $7.55 million prior to the end of November. The proceeds of these sales are earmarked to reduce senior bank debt. The Corporation is actively pursuing further asset sales and investigating a number of options to continue reducing its senior bank debt.

With a large inventory of drilling prospects, a low cost structure, declining debt and improving commodity prices, the Questfire management team is looking forward to a return to drilling in 2017, a return to growth and a return to the execution of our long-term business plan of growing production beyond 10,000 boe per day**.**

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, 2016, 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

*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 20-35 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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