



CALGARY, ALBERTA – May 25, 2017

QUESTFIRE ENERGY CORP. ANNOUNCES 2017 FIRST QUARTER FINANCIAL RESULTS

Questfire Energy Corp. (the "Corporation" or "Questfire") (TSX Venture – Q.A) 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 months ended March 31, 2017.

Financial and Operating Highlights

	Three months ended March 31,	
	2017	2016
Financial		
Oil and natural gas sales	\$ 9,148,268	\$ 7,284,889
Funds flow from operations ⁽¹⁾	1,665,646	23,012
Per share, basic and diluted	0.07	-
Loss	(623,951)	(3,418,448)
Per share, basic and diluted	(0.03)	(0.20)
Capital expenditures	89,215	138,861
Proceeds from property dispositions	289,173	-
Working capital deficit <i>(end of period)</i> ⁽²⁾	39,286,282	11,077,120
Long-term contract obligation <i>(end of period)</i> ⁽³⁾	13,652,966	14,061,935
Long-term bank debt <i>(end of period)</i>	-	41,839,415
Shareholders' equity <i>(end of period)</i>	\$ 12,150,064	\$ 10,986,866
Shares outstanding <i>(end of period)</i>		
Class A	22,822,401	17,318,001
Class B	-	550,440
Options outstanding <i>(end of period)</i>	3,083,500	3,488,500
Weighted-average basic and diluted shares outstanding	22,822,401	17,318,001
Class A share trading price		
High	\$ 0.55	\$ 0.74
Low	0.30	0.38
Close	\$ 0.37	\$ 0.55

	Three months ended March 31,	
	2017	2016
Operations ⁽⁴⁾		
Production		
Natural gas (Mcf/d)	19,863	22,785
Natural gas liquids (NGL) (bbls/d)	671	744
Crude oil (bbls/d)	328	501
Total (boe/d)	4,310	5,043
Benchmark prices		
Natural gas		
AECO (Cdn\$/GJ)	\$ 2.55	\$ 1.74
Crude oil		
WTI (US\$/bbl)	51.90	33.45
Canadian Light (Cdn\$/bbl)	64.74	41.22
Average realized prices ⁽⁵⁾		
Natural gas (per Mcf)	2.83	1.97
NGL (per bbl)	39.71	25.40
Crude oil (per bbl)	57.20	32.35
Operating netback (per boe) ⁽⁶⁾	9.55	3.67
Funds flow netback (per boe) ⁽⁶⁾	\$ 4.29	\$ 0.05

⁽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 \$928,618 and \$Nil, respectively (March 31, 2016 – risk management contract assets of \$Nil and convertible Class B share liability of \$5,197,655). Excluding this, the working capital deficit would be \$38,357,664 (March 31, 2016 – \$5,879,465).

⁽³⁾ Long-term contract obligation excludes current portion of \$408,969 (March 31, 2016 – \$356,482), 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 2017 Corporate Highlights

- Achieved average production of 4,310 boe per day for the quarter, 77 percent natural gas.
- Generated a sharply improved first quarter operating netback of \$9.55 per boe compared to \$3.67 per boe in the first quarter of 2016.
- Achieved funds flow from operations of \$1.7 million (\$0.07 per basic share) on sales of \$9.1 million during the first quarter of 2017, with both figures significantly higher than in the first quarter of 2016 as a result of higher commodity prices.
- Minimized capital spending with no new drilling, resulting in total capital expenditures of \$89,215.
- Incurred total operating costs of \$4.4 million in the first quarter, as compared to \$4.8 million in the first quarter of 2016. On a per unit basis, operating costs were \$11.38 in the first quarter, 8 percent higher than in the first quarter of 2016, largely due to lower production volumes.
- Incurred general and administrative (G&A) costs of \$1.0 million for the quarter, representing a 20 percent reduction from the first quarter of 2016.

President's Message

The first quarter of 2017 saw significantly higher commodity prices than in the comparable period of 2016. During the first quarter of 2017 the average benchmark prices for natural gas and oil were 47 percent and 56 percent higher, respectively, than in the first quarter of 2016. Questfire funds flow from operations for the quarter was a significant \$1.7 million and operating netbacks were \$9.55 per boe compared to only \$3.67 per boe in the first quarter of 2016. At the time of this report it appears that the fundamentals of supply and demand will continue to support these higher commodity prices.

During the quarter we continued to focus on reducing all costs, minimizing capital spending, maintaining production and improving the balance sheet. No wells were drilled and only \$89,000 of capital expenditures were incurred. Approximately \$300,000 of non-core, non-producing assets were sold, with the proceeds used to reduce bank debt.

The outlook for commodity prices continues to be positive for the remainder of 2017 and beyond. Questfire's goals for 2017 include continued reduction in overall debt and achieving an extension of banking facilities beyond May 31, 2017. With continued debt reduction and improvement in commodity prices, we expect to return to drilling and modest production growth in the second half of 2017.

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 symbol Q.A. The Corporation currently has 22,822,401 Class A shares outstanding.

To view a full copy of the Corporation's financial results for the period ended March 31, 2017, 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 15-30 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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