



CALGARY, ALBERTA – APRIL 29, 2013

QUESTFIRE ENERGY CORP. ANNOUNCES YEAR END 2012 FINANCIAL RESULTS AND FILES ITS NI 51-101 DISCLOSURE

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 its Annual Information Form for the year ended December 31, 2012. The Corporation has also filed today its reserves data and other oil and gas information for the year ended December 31, 2012 as mandated by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

2012 Corporate Highlights

- Averaged production of 82 barrels of oil equivalent (boe) per day (83 percent natural gas) for the fourth quarter with low operating and transportation costs of \$8.90/boe.
- Had production revenue, before royalties, of \$212,957 for the quarter and \$509,124 for the year.
- Signed a Letter of Interest on November 29, 2012 for the acquisition of approximately 5,900 boe per day of natural gas-weighted conventional assets. Subsequent to the end of the fourth quarter of 2012, Questfire continued to make progress with the acquisition and, as of this date, is working towards closing the acquisition by approximately April 30, 2013.

President’s Message

The fourth quarter of 2012 continued to be a challenging time for the oil and natural gas industry in Western Canada. In particular, publicly traded junior oil and gas companies like Questfire were severely challenged by very limited access to risk capital as stock markets and investors continued to be risk-averse. Natural gas prices remained a challenge with great uncertainty regarding the record-high natural gas storage levels and persistent low pricing heading into the 2012-2013 winter heating season. The modest uptick in natural gas prices experienced over the fall was not sufficient to revive the capital markets’ interest in Canadian gas-weighted junior producers.

By the third quarter of 2012, Questfire’s management team realized that the publicly traded, junior oil and gas model of organic growth via drilling, which had worked well for us in the past, was no longer feasible, due mainly to the lack of risk capital available. We then made the decision to focus our efforts on merger and acquisition opportunities. The Questfire team spent

the fourth quarter of 2012 in merger discussions with a number of other junior companies and evaluated numerous asset packages for sale on the market.

Our efforts culminated in the preparation and submission of a bid in November for approximately 5,900 boe per day of natural gas-weighted assets offered for sale by Advantage Oil and Gas Ltd. (“Advantage”). Our bid was accepted and a Letter of Interest was signed on November 29, 2012. Subsequent to the end of 2012, and following further negotiations and completion of our due diligence review, a Purchase and Sale Agreement was signed on February 5, 2013 (and amended on March 12, 2012). Further details of the acquisition have been disclosed in press releases by Questfire on February 6, 2013 and on April 8, 2013. Consideration for the acquisition consists of \$40 million in cash (funded by new Questfire credit facilities with a Canadian chartered bank), \$44 million in senior secured convertible debentures and 1.5 million Class B shares.

At the time of this report Questfire is working towards closing the Advantage acquisition on or about April 30, 2013. When the acquisition is closed, Questfire will be a completely different company. Annualized cash flow from operations in 2013 is forecast to be in the \$20 million range, our production base will be approximately 5,600 boe per day at closing and Questfire will have a significant inventory of high-working-interest drilling and recompletion prospects for light oil and natural gas.

We will thereby be transformed from a micro-cap junior with limited cash flow and insufficient capital to fund substantial further drilling, into a mid-sized junior company with significant cash flow of a level sufficient to fund a multi-well drilling program on our asset base. This acquisition is therefore the most exciting and strategically significant event in Questfire’s history since the Company’s founding. I am very excited at the opportunity to begin seeking new reserves and creating new value on our greatly expanded asset base.

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 12,813,001 Class A shares and 555,840 Class B shares outstanding.

To view a full copy of the Corporation’s audited financial results for the year ended December 31, 2012, 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., 400, 703 – 6th Ave S.W., Calgary, Alberta, T2P 0T9.

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 is approximately 30 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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