CALGARY, ALBERTA – DECEMBER 31, 2015

QUESTFIRE ENERGY CORP. PROVIDES OPERATIONS UPDATE AND ANNOUNCES AMENDMENTS TO ITS CREDIT FACILITIES

Questfire Energy Corp. (the "**Corporation**" or "**Questfire**") (TSX Venture – Q.A, Q.B) provides an operations update and announces amendments to its credit facilities.

Low Decline Production, Reduced Operating Costs

Questfire is pleased to announce that production curtailments due to Nova Gas Transmission (NGTL) restrictions at the Corporation's core Open Lake property in West Central Alberta have recently been lifted. Questfire's current production is now in the 5,200 boepd range and is comprised of 25 percent oil and natural gas liquids and 75 percent natural gas. Current production capability is estimated to be in the 5,300 to 5,400 boepd range.

Questfire estimates that production curtailments due to NGTL restrictions, which commenced in March, have averaged approximately 350 boepd for 2015. The current production rate of 5,200 boepd is essentially flat compared to first quarter average production of 5,203 boepd and illustrates the low decline nature of the Corporation's production base. Only one 100 percent working interest well was drilled by Questfire this year in the Morningside field and commenced production in mid-October. This limited drilling along with a low base decline rate of less than 15 percent resulted in essentially flat production capability over the year.

Unit operating costs for 2015 averaged $12.00 per boe, a decline of 18 percent compared to 2014 unit costs. G&A costs year over year have seen a similar percentage reduction. Controllable costs are expected to continue declining due to the ongoing efforts of all field and office staff.

Capital Spending Within Cashflow

The Corporation met its goal for 2015 of maintaining capital and ARO spending within cashflow. Approximately $6.6 million was spent on capital and ARO of which roughly $3.0 million was spent on drilling and production optimization projects with the remainder being spent on ARO and maintenance capital projects.

Drilling and Recompletion Inventory
Based upon ongoing in-house technical work and offsetting industry activity Questfire continues to expand its inventory of drilling and recompletion prospects. The current inventory includes 479 gross (362 net) drilling locations and 200 gross (194 net) recompletions. The vast majority of these prospects are Questfire operated and all are on existing Questfire lands with very limited expiries in 2016. With improvement in commodity prices Questfire has the option of quickly increasing drilling and recompletion activity.

Credit Facilities
Questfire has completed the semi-annual review of its credit facilities with its bank syndicate. The Corporation's credit facilities have been amended to $45 million, consisting of a $35 million revolving syndicated facility and a $10 million operating facility. The reduction of the total credit facilities from $55 million to $45 million reflects a $10 million reduction in the revolving syndicated facility that is being effected together with various other amendments to such facility, including amendments to the financial covenants therein.

2016 Outlook
Questfire will continue to operate within cashflow in order to maintain or reduce total debt levels with the goal of maintaining or modestly growing production. The Corporation has approved a 2016 capital budget of up to a maximum of $15 million subject to commodity prices and resulting cashflow. Questfire will also continue to focus on factors under its control, namely reducing controllable costs, maximizing production, selectively drilling the most economic prospects and exercising capital spending discipline.

Further details regarding the Corporation's Credit Agreements can be found in the Corporation's second amending agreement to the amended and restated credit agreement dated June 27, 2014 that will be filed on Questfire's SEDAR profile at www.sedar.com.

About Questfire Energy Corp.

Questfire Energy Corp. is a junior oil and natural gas exploration and production company based in Calgary, Alberta.

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Forward Looking Statements:

Certain information in this news release including management's assessment of future plans and operations, including plans to focus on reducing controllable costs, maximizing production and exercising capital spending discipline, and plans to file the second amending agreement to the credit agreement are forward looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties including, 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, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Corporation believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Corporation can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: outstanding indebtedness of the Corporation, interest payable under the credit facilities; the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration results; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors and assumptions is not exhaustive. Additional information on these and other factors that could affect Questfire's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed under Questfire's SEDAR profile at www.sedar.com. 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.