



CALGARY, ALBERTA – JUNE 7, 2012

QUESTFIRE ENERGY CORP. ANNOUNCES OFFERING OF CONVERTIBLE DEBENTURES

Questfire Energy Corp. (“Questfire” or the “Corporation”) (TSX-V: Q.A and Q.B) is pleased to announce the terms of an offering by private placement of convertible unsecured debentures (the “Offering”) to raise gross proceeds of a minimum of \$1 million and a maximum of \$3 million.

The Debentures will mature on June 30, 2014 (the “**Maturity Date**”) and bear an interest rate of 12% per annum payable quarterly in arrears commencing September 30, 2012. The principal amount of the Debentures will be convertible, in whole or in part, into Class A Shares (“Common Shares”) at the option of the holder at any time prior to the close of business on the Maturity Date at a conversion price of \$0.50 per Common Share.

Each Debenture Unit will be comprised of one \$5,000 par value convertible unsecured senior debenture (the “**Debentures**”) and 5,000 Common Share purchase warrants (the “**Warrants**”). Each Warrant will entitle the holder thereof to acquire one Common Share at a price of \$0.75 for a period of 24 months after the closing date of the Offering (the “**Closing Date**”), which is currently scheduled for June 28, 2012.

The Debentures will be direct senior obligations of the Corporation ranking (i) equally with each other, and (ii) senior in right of payment and priority to any existing and future indebtedness and financial obligations and / or liabilities but subordinate to Permitted Senior Indebtedness.

Finders will be paid a commission of 6% of aggregate gross proceeds raised through finders pursuant to the Offering.

The completion of the private placement is subject to TSX Venture Exchange approval.

Certain officers and directors of the Corporation (the “**Insiders**”) intend to subscribe for an aggregate of approximately \$800,000 of the Debenture Units. The Offering could therefore be a “related party transaction” under Multilateral Instrument -101 and TSX Venture Policy 5.9 (the “**Policies**”).

The board of directors of the Corporation (the “**Board**”) has established a special independent committee of the Board comprised of Neil Dell (Chair) (the “**Special Committee**”). Following its deliberations, including its review of the terms of the Offering, the Special Committee determined that the Offering was in the best interest of the Corporation and recommended that the Board approve the Offering.

The Corporation has determined that there are exemptions available from certain requirements of the Policies for the issuance of these Debenture Units to the Insiders:

Exemptions from formal Valuation Requirements - Issuer Not Listed on Specified Markets; and Distribution of Securities for Cash.

Exemptions from Minority Approval Requirements - Issuer Not Listed on Specified Markets; and Fair Market Value not more than \$2,500,000.

Neither the Corporation, nor to the knowledge of the Corporation after reasonable inquiry, the Insiders, have knowledge of any material information concerning the issuer or its securities, that has not been generally disclosed.

Ownership of Class A Shares by Directors and Officers

The directors and officers of the Corporation, as a group, own or control, directly or indirectly, in aggregate 7,642,001 Class A Shares or approximately 59.6% of the outstanding Class A Shares. In addition, the directors and officers of the Corporation, as a group, hold stock options, exercisable at \$0.20 per Class A Share, entitling them to purchase up to an aggregate of 1,066,000 Class A Shares.

Assuming the purchase of \$800,000 of Debenture Units by the directors and officers, and assuming the conversion of all Debentures into 6,000,000 Class A Shares and the exercise of all 3,000,000 Warrants attached to such units, the directors and officers as a group, would own or control, directly or indirectly, in aggregate 10,042,001 Class A Shares or approximately 63.5% of the outstanding Class A Shares under the minimum offering of \$1,000,000 and 46.0% under the maximum offering of \$3,000,000.

Forward-Looking statements: This document contains statements about future events that are forward looking in nature and, as a result, are subject to certain risks and uncertainties such as changes in plans or the occurrence of unexpected events. Actual results may differ from the estimates provided by management.

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.