Questfire Energy Corp. – Financial and Operating Highlights

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Financial				
Oil and natural gas sales	**$ 9,854,087**	$ 17,614,154	**$ 31,311,111**	$ 55,700,544
Funds flow from operations [(1)]	**2,628,266**	5,102,045	**8,916,000**	17,902,295
Per share, basic	**0.15**	0.29	**0.51**	1.23
Per share, diluted	**0.11**	0.24	**0.39**	0.60
Income (loss)	**(5,330,460)**	648,466	**(9,234,620)**	23,195,263
Per share, basic	**(0.31)**	0.04	**(0.53)**	1.59
Per share, diluted	**(0.31)**	0.03	**(0.53)**	0.81
Capital expenditures	**2,309,671**	9,926,522	**4,872,305**	16,342,849
Property acquisitions (dispositions)	**$ -**	$ -	**-**	(3,792,346)
Working capital deficit *(end of period)* [(2)]			**7,544,177**	10,478,521
Long-term contract obligation *(end of period)* [(3)]			**14,246,294**	14,480,340
Long-term bank debt *(end of period)*			**39,062,046**	37,000,000
Shareholders' equity *(end of period)*			**$ 15,203,140**	$ 22,141,002
Shares outstanding *(end of period)*				
Class A			**17,318,001**	17,318,001
Class B			**550,440**	550,440
Options outstanding *(end of period)*			**3,291,000**	2,646,000
Weighted-average basic shares outstanding	**17,318,001**	17,298,436	**17,318,001**	14,575,822
Weighted-average diluted shares outstanding	**17,318,001**	18,838,010	**17,318,001**	30,134,021
Class A share trading price				
High	**$ 1.60**	$ 2.75	**$ 1.95**	$ 2.75
Low	**1.00**	2.35	**1.00**	0.95
Close	**$ 1.00**	$ 2.51	**$ 1.00**	$ 2.51
Operations [(4)]				
Production				
Natural gas *(Mcf/d)*	**20,684**	23,936	**21,233**	23,152
Natural gas liquids (NGL) *(bbls/d)*	**627**	712	**638**	661
Crude oil *(bbls/d)*	**522**	507	**638**	449
Total *(boe/d)*	**4,596**	5,208	**4,815**	4,969
Benchmark prices				
Natural gas				
AECO *(Cdn$/GJ)*	**$ 2.76**	$ 3.81	**$ 2.62**	$ 4.57
Crude oil				
WTI *(US$/bbl)*	**46.43**	97.17	**51.00**	99.61
Canadian Light *(Cdn$/bbl)*	**55.10**	97.71	**59.09**	100.53
Average realized prices [(5)]				
Natural gas *(per Mcf)*	**2.95**	4.16	**2.85**	4.98
NGL *(per bbl)*	**31.72**	63.87	**35.13**	70.66
Crude oil *(per bbl)*	**50.13**	91.40	**49.73**	93.67
Operating netback *(per boe)* [(6)]	**8.65**	15.74	**9.04**	19.07
Funds flow netback *(per boe)* [(6)]	**$ 6.22**	$ 10.65	**$ 6.78**	$ 13.20

(1) See "Additional GAAP measure".

(2) Working capital deficit includes risk management contract assets of $418,474 (September 30, 2014 – liability of $764,107). Excluding this, the working capital deficit would be $7,962,651 (September 30, 2014 – $9,714,414).

(3) Long-term contract obligation excludes current portion of $332,821 (September 30, 2014 – $357,853), which is included in working capital deficit.

(4) For a description of the boe conversion ratio, see "Basis of Barrel of Oil Equivalent".

(5) Before hedging.

(6) See "Non-GAAP measures".

Third Quarter 2015 Corporate Highlights

- Achieved average production of 4,596 boe per day for the quarter, 75 percent natural gas, in spite of an estimated 555 boe per day of production restrictions on the Nova Gas Transmission System (NGTL).
- Achieved quarterly sales of $9.9 million and funds flow from operations of $2.6 million ($0.15 per basic share).
- Incurred operating costs of $11.99 per boe for the quarter, achieving a decrease of 20 percent from the third quarter of 2014. Operating costs through September 2015 were $11.98 per boe, a decrease of 22 percent from the first nine months of 2014. Both decreases were due to success in the Corporation's production optimization and operating efficiency efforts. Combined with G&A, the Corporation experienced a $5.9 million decrease (23 percent) in controllable costs for the first nine months of 2015 as compared to 2014.
- Made capital expenditures for the quarter of $2.3 million, well within funds flow of $2.6 million.
- Drilled and completed the Corporation's first horizontal multi-stage fractured Falher gas well in the Morningside area of central Alberta.

President's Message

The third quarter of 2015 continued to be very challenging for the oil and gas industry, with all commodity prices continuing at or near multi-year lows. Questfire's realized commodity prices in the quarter were lower by 29 percent for natural gas, 50 percent for natural gas liquids and 45 percent for crude oil than in the third quarter of 2014.

Questfire continued to focus on factors under its control, namely reducing controllable costs, maximizing production and exercising capital spending discipline. I'm pleased to report that the ongoing efforts of all Questfire staff have resulted in operating costs for the first nine months of $11.98 per boe, a 22 percent reduction from the same period of 2014. General and administrative costs (G&A) for the first nine months of 2015 have been reduced by $0.9 million or 18 percent from the same period of 2014. Combined operating and G&A costs have been reduced by an impressive $5.9 million or 23 percent for the first nine months of 2015 from the same period of 2014.

Questfire's production base continues to perform well with a base decline rate of approximately 12 percent per year, very low by industry standards and a significant advantage in the current low commodity price environment. Like many producers in Alberta, however, Questfire has experienced significant and unprecedented production restrictions throughout 2015 due to maintenance and repair activities conducted on the Nova Gas Transmission System (NGTL). Questfire has had an average estimated 359 boe per day of production restricted through the first 9 months of the year, including 555 boe per day in the third quarter of 2015. Without these NGTL restrictions Questfire's production would have been in the range of 5,100-5,200 boe per day for the first nine months of 2015. This production capability is impressive when compared to our 2014 average production rate of 5,103 boe per day and considering no new wells were drilled in 2015 until the end of the third quarter. Our low base decline rate along with low-cost production optimization and well reactivation projects have helped to keep our production capability more or less flat in 2015.

For the first nine months of 2015 our capital spending of $4.9 million was within our cash flow and our overall bank debt and working capital deficit of $46.6 million is within our $55 million bank line. A large portion of our capital spending occurred late in the third quarter of 2015 with the drilling of the Corporation's first 100 percent working interest horizontal, multi-stage-fractured Falher gas well in the Morningside field of central Alberta. The well spud on August 26th and was drilled to a total measured depth of 3,229 metres, including a horizontal lateral of 1,340 meters and was completed with a 13 stage, 50 tonne per stage fracture stimulation. Total costs for drilling, completing and equipping this well were approximately $2.4 million with production commencing in mid-October.

Questfire is very pleased with the results of this first horizontal Falher gas well. Production at the end of the first 30 days is approximately 2.0 mmcf per day plus 25 bbls per mmcf of natural gas liquids (NGL), for 360 boe per day total production at a 50 percent drawdown. The NGL are comprised mainly of the more valuable butane and pentane-plus components.

Accordingly, these results have helped prove up an additional nine horizontal drilling locations on this play with an average 87.5 percent working interest. Two additional horizontal locations are currently being prepared for drilling from the existing padsite, with drilling likely to commence in the first quarter of 2016.

Our total capital spending for 2015 is forecast to be approximately $6.5 million, including abandonments and reclamations, which is within our forecast cash flow of $10.6 million. One of Questfire's key goals for 2015 was to maintain capital spending within cash flow. I'm pleased that we're on track to achieve this goal in spite of volatile commodity prices and significant, non-controllable third-party production restrictions.

We expect to see a slow steady recovery in natural gas and oil prices. Supply and demand fundamentals in reaction to recent low commodity prices are behaving as expected. Drilling rig counts in North America are more than 50 percent lower than a year ago, contributing to a halt in supply growth. North America's total gas production rate peaked in early 2015 and is on a downward trend. Similarly, North American oil production peaked in mid-2015 and is showing decline. Many large-scale oil developments and capital spending world-wide have been deferred. On the demand side, world oil consumption of approximately 94 million barrels per day has never been higher and natural gas consumption in North America has seen significant increases due to increased demand for electrical power generation, industrial use and growing exports to Mexico. North America's first exports of liquefied natural gas are expected to commence in the first quarter of 2016, with additional projects coming on-line in 2016 and beyond.

Going forward, the Questfire team will remain focused on further cost reductions, continued capital spending discipline and selectively drilling wells which have high-impact potential and positive economics, such as the Morningside Falher gas play.

On behalf of the Board of Directors,

(Signed) "Richard Dahl"

Richard H. Dahl
President and Chief Executive Officer
November 17, 2015

Management's Discussion and Analysis

This management's discussion and analysis (MD&A) of operating and financial results of Questfire Energy Corp. ("Questfire" or the "Corporation") is dated November 17, 2015 and is based on currently available information. It should be read in conjunction with the audited financial statements and accompanying notes for the years ended December 31, 2014 and 2013 and the unaudited condensed interim financial statements and accompanying notes for the three and nine months ended September 30, 2015. Unless otherwise noted, all financial information is presented in Canadian dollars, and is in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (ISAB), interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and with Canadian generally accepted accounting principles (GAAP) as applicable to interim financial statements, including International Accounting Standard (IAS) 34, *Interim Financial Reporting*. These documents, along with other statutory filings, including the Corporation's Annual Information Form, are available on SEDAR at www.sedar.com and on the Corporation's website at www.questfire.ca.

Refer to the end of the MD&A for commonly used abbreviations.

Readers should read the section Forward-Looking Statements at the end of the MD&A, which explains the basis for and limitations of statements throughout this report that are not historical facts and may be considered "forward-looking statements" under securities regulations.

Description of Business

The Corporation is engaged in the acquisition, exploration, development and production of oil and natural gas reserves in Canada. The Corporation's focus is to generate and develop its own prospects, acquire oil and natural gas properties directly and/or through farm-in, and participate with joint venturers and other industry partners in oil and natural gas exploration and development in Alberta. Questfire is traded on the TSX Venture Exchange under the symbols Q.A and Q.B.

Financial and Operating Results

Production

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Daily average volume				
Natural gas *(Mcf/d)*	**20,684**	23,936	**21,233**	23,152
NGL *(bbls/d)*	**627**	712	**638**	661
Crude oil *(bbls/d)*	**522**	507	**638**	449
Total sales *(boe/d)*	**4,596**	5,208	**4,815**	4,969
Total sales *(boe)*	**422,832**	479,170	**1,314,399**	1,356,512
Production weighting				
Natural gas	**75%**	77%	**74%**	78%
NGL	**14%**	13%	**13%**	13%
Crude oil	**11%**	10%	**13%**	9%
	100%	100%	**100%**	100%

Production decreased during the 2015 periods from the 2014 comparative periods largely due to third-party natural gas gathering system interruptions for maintenance. The decrease was partially offset by production added through drilling activity during the second half of 2014. Crude oil production increased in the 2015 periods from the 2014 comparative periods as the 2014 drilling programme predominantly targeted crude oil production.

Sales

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
	$	$	**$**	$
Natural gas	**5,618,154**	9,168,702	**16,532,077**	31,464,256
NGL	**1,829,261**	4,186,610	**6,117,519**	12,751,170
Crude oil	**2,406,672**	4,258,842	**8,661,515**	11,485,118
Total	**9,854,087**	17,614,154	**31,311,111**	55,700,544
Average realized prices before hedging				
Natural gas *($/Mcf)*	**2.95**	4.16	**2.85**	4.98
NGL *($/bbl)*	**31.71**	63.87	**35.12**	70.66
Crude oil *($/bbl)*	**50.11**	91.40	**49.73**	93.67
Combined average *($/boe)*	**23.30**	36.76	**23.82**	41.06

The Corporation's sales were lower for all major products in the three and nine months ended September 30, 2015 than in the comparative 2014 periods due to declines in pricing.

Natural gas prices realized were lower in both periods of 2015 than those of the comparative periods due to an abnormally cold winter in 2013-2014, leading to large draws of natural gas from storage and comparatively higher pricing in 2014. There was significant injection into underground storage in the United States during the third quarter of 2015, influencing demand and pricing in the Canadian market.

The Corporation, like almost all of the upstream oil and natural gas sector in Western Canada, experienced lower prices for NGL products than in the prior year's comparative periods. Propane pricing was negative for much of the second and third quarters of 2015, partially as a result of the Cochin pipeline reversal, which previously shipped propane out of Western Canada and now ships condensate into Alberta, stranding some propane in the province, as well as decreased demand in the United States resulting from increased liquids-rich natural gas production.

Crude oil pricing remained depressed in comparison to the 2014 periods as a result of a supply-demand imbalance, as the Organization of Petroleum Exporting Countries (OPEC) maintained its production levels. The OPEC decision signals a desire to protect market share as opposed to supporting prices. Lower prices have resulted in significant reductions in to-date 2015 capital spending in the energy industry, with clear signs of reduced activity, including a steep decline in the active drilling rig count in the United States, which has fallen below 800 oil and gas rigs, and very low rig utilization rates in Canada.

During the third quarter of 2015 there was initial evidence of declining North American production volumes, including reduced shale gas production in the United Sates, which had experienced virtually uninterrupted growth for over a decade. This trend is anticipated to continue until oil and natural gas prices recover to levels that generate positive full-cycle returns. In the meantime, low prices will continue to stimulate demand for both major commodities. Lower oil production and higher demand are needed to re-balance the crude oil market.

The timing of market rebalancing for either commodity remains unknown. Over the short term, the Corporation anticipates continued price volatility. On the oil side, a significant factor is the unknown impact of drilled but uncompleted shale oil wells in the United States. The pricing required to encourage companies to complete these wells is unknown, as is how significantly the resulting new production would offset declining overall production. It is expected that there will be continued price volatility for the next several quarters as the various dynamics play out, which may not provide substantially higher realized prices for Questfire until mid-2016 or 2017. During the most recent quarter, crude oil prices, which are benchmarked in U.S. dollars, declined, with realized prices benefiting from a strengthening of the U.S. dollar relative to the Canadian dollar, which increases the Canadian price received on Questfire's crude oil.

Realized commodity prices changed in step with the applicable underlying price benchmark after factoring in the U.S. to Canadian currency exchange rate. Questfire's natural gas production has an average heating value of approximately 39 megajoules per cubic metre, realizing a price premium over gas with standard heating content. Questfire's NGL is comprised approximately 45 percent of condensate, the highest-priced NGL. All of this is favourable to the Corporation's average realized prices. The Corporation hedges a significant proportion of its natural gas production, which reduces price volatility. All of the Corporation's current hedges expire on December 31, 2015.

Royalties

	Three months ended September 30,		**Nine months ended September 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Royalties	**745,260**	2,417,662	**2,464,395**	7,779,107
Per boe	**1.76**	5.05	**1.88**	5.74
Percentage of sales	**7.6%**	13.7%	**7.9%**	14.0%

Questfire's royalty burden includes Crown, Indian, gross over-riding and freehold royalties applicable on the Corporation's production sales.

The royalty rate as a percentage of sales was lower than for the comparative periods as a result of lower commodity reference pricing used by the Alberta government to calculate royalties.

Production and Operating Expense

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Production and operating expense	**5,070,386**	7,221,381	**15,748,462**	20,716,662
Per boe	**11.99**	15.07	**11.98**	15.27

Production and operating expenses decreased on a total and per-boe basis from the comparative periods in 2014 due to concentrated field efforts throughout the Corporation's properties to reduce per-boe operating costs, as well as due to new wells that came on production during the second half of 2014 with lower per-boe operating costs. Management continues to look at production and operating costs to identify additional savings. The savings from these efforts is unknown and may not be significant due to the extent of savings achieved to date, as well as the size of fixed costs such as property taxes and lease rentals. Management wishes to avoid achieving short-term savings at the expense of long-term costs, safety, and regulatory compliance.

Transportation Expense

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Transportation expense	**381,775**	430,982	**1,209,947**	1,333,308
Per boe	**0.90**	0.90	**0.92**	0.98

Transportation expense per unit of production was consistent with or slightly lower than in the comparative periods, and is anticipated to remain at or near the current level for the remainder of 2015.

Risk Management

Questfire's cash flow is highly variable, in large part because oil and natural gas are commodities whose prices are determined by worldwide and/or regional supply and demand, transportation constraints, weather conditions, availability of alternative energy sources and other factors, all of which are beyond Questfire's control. World prices for oil and natural gas have fluctuated widely in recent years.

The substantial downward shift in the commodity price environment that began during the fourth quarter of 2014 has continued to date in 2015. The Corporation anticipates that prices will remain within the trading ranges experienced during the third quarter of 2015 into 2016. If crude oil and natural gas prices decline significantly from present levels and remain low for an extended period, the carrying value of Questfire's assets may be subject to impairment charges, future capital spending could be reduced, causing projects to be delayed or cancelled, and production could be curtailed, among other effects. As a result of the substantial slowdown across the energy sector, Questfire expects to see moderate additional reductions in demand for and, in turn, the costs of labour, services and materials. This may create additional opportunities to improve the Corporation's cost structure.

Management of cash flow variability is an integral component of the Corporation's business strategy. Changing business conditions are monitored regularly and reviewed with the Board of Directors to establish risk management guidelines used by management in carrying out the Corporation's strategic risk management program. The risk exposure inherent in movements in the price of natural gas is managed by Questfire through the use of derivatives with investment-grade counterparties. The Corporation considers these derivative contracts to be a means to manage cash flow and commodity price risk.

The Corporation has elected not to use hedge accounting and, accordingly, the fair value of the financial contracts is recorded at each period-end. The fair value may change substantially from period to period depending on commodity forward strip prices for the financial contracts outstanding at the balance sheet date. The change in fair value from period-end to period-end is reflected in the income for that period. As a result, income may fluctuate considerably.

At September 30, 2015, Questfire had the following natural gas risk management contracts, with a total mark-to-market asset of $418,474:

Period	Commodity	Type of contract	Notional quantity	Pricing point	Contract price
Jan. 1/15 - Dec. 31/15	Natural gas	Purchased put [1]	15,000 GJ/d	AECO 7A	Cdn$3.00/GJ
Jan. 1/15 - Dec. 31/15	Natural gas	Costless collar	5,000 GJ/d	AECO 7A	Cdn$2.85-$4.00/GJ

[1] The put contracts require the Corporation to pay a monthly premium of approximately $85,400 over the term for a total premium of $1,024,281, of which $258,175 remains to be paid.

These contracts are considered financial instruments, and the resulting derivative financial asset or liability was recorded on the Corporation's balance sheet, with the unrealized gain or loss being recorded on the statement of income (loss) and comprehensive income (loss).

	Three months ended September 30,		**Nine months ended September 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Realized gain (loss) on risk management contracts	**575,333**	(677,978)	**1,793,258**	(2,868,794)
Per boe	**1.36**	(1.41)	**1.36**	(2.11)
Unrealized gain (loss) on risk management contracts	**(878,710)**	1,318,632	**(2,713,842)**	593,720
Per boe	**(2.08)**	2.75	**(2.06)**	0.44

During the three and nine months ended September 30, 2015 the realized gains on risk management contracts associated with natural gas commodity prices being lower than the put contract price were more than offset by the unrealized losses, which were incurred even though spot prices at September 30, 2015 were lower than at December 31, 2014, as a result of risk management premiums as well as the reduction of the number of months remaining in the risk management contracts.

The risk management contracts acquired with the Corporation's significant acquisition of producing assets in April 2013 (the "2013 Acquisition") were fixed-price contracts, also known as "swaps". Most risk management contracts entered into since then have been purchased puts. These provide downside price protection while allowing Questfire to realize all pricing upside in return for payment of the put option premium. This can be viewed as being similar to an insurance contract, with a premium paid in return for protection against negative events. Fixed-price contracts, although free of direct costs such as contract premiums, impose opportunity costs in the form of foregone pricing upside. Fixed-price contracts erase all exposure to pricing upside, while so-called costless collars limit the producer's pricing upside to the higher figure (the purchaser's call option). The Corporation has not entered into any risk management contracts to date in 2015.

It is Questfire's intention to continue purchasing put options and costless collars.

General and Administrative (G&A) Expense

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
G&A	**1,209,856**	1,627,985	**3,986,007**	4,878,343
G&A cash expense per boe	**2.86**	3.35	**3.03**	3.48
Non-cash G&A (office lease amortization) per boe	**-**	0.05	**-**	0.12
Total expense per boe	**2.86**	3.40	**3.03**	3.60

G&A expenses were lower than in the comparative periods in 2014 predominantly due to the elimination of bonus accruals in 2015, an allocation of the portion of G&A expenses attributable to supporting E&E activities to exploration and evaluation (E&E) expenditures as well as the conclusion in June 2014 of office lease amortization associated with the 2013 Acquisition.

Share-Based Compensation

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Share-based compensation	**172,877**	159,833	**524,249**	395,171
Per boe	**0.41**	0.33	**0.40**	0.29

The increase in share-based compensation from the comparative periods in 2014 is a result of stock options issued in 2014 as well as in 2015. These options were issued in association with the Corporation increasing staffing as a result of the 2013 Acquisition, as well as the issuance of annual option recharges for employees and directors.

The Corporation granted Nil and 675,000 options in the respective three and nine months ended September 30, 2015 at Class A share exercise prices between $1.30 and $1.68 per option. There were 3,291,000 options outstanding at September 30, 2015 and as of the date of this MD&A. There were 1,841,000 options exercisable at September 30, 2015.

Exploration and Evaluation (E&E) Expenditures

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
E&E expense	**193,877**	159,302	**579,558**	384,302
Per boe	**0.46**	0.33	**0.44**	0.28

The increase in E&E expenditures recognized over the comparative 2014 periods is due to an allocation of the portion of G&A expenses attributable to supporting E&E activities.

Depletion and Depreciation (D&D)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
D&D	**2,808,838**	3,825,360	**8,674,310**	9,799,008
Per boe	**6.64**	7.98	**6.60**	7.22

The Corporation experienced slightly decreased D&D from the comparative periods in 2014, resulting from a lower depletion rate on a per-boe basis in 2015 as a result of reserve increases in several CGUs. Questfire continues to experience a low rate of depletion per boe, which it estimates is in the most advantageous decile of Canadian oil and natural gas producers, illustrating the value created upon acquisition of the assets in April 2013, and continued by the Corporation’s low finding and development costs per boe in 2014.

Property and Equipment Impairment

Impairment is recognized when the carrying value of an asset or CGU exceeds its recoverable amount, defined as the higher of its value in use or fair value less costs of disposal. Should there be indicators that the recoverable amount of an asset or CGU previously impaired has increased materially in value since recording the initial impairment, an impairment reversal may be recognized up to the value prior to impairment, less any subsequent associated D&D. For the nine months ended September 30, 2015, the Corporation recorded a property and equipment impairment of $4,500,000 (three and nine months ended September 30, 2014 – $Nil) pertaining to the Brazeau, Crossfield and Open Lake CGUs. As commodity price volatility remains above average, impairment charges or recoveries can be expected in future periods.

Other Income

	Three months ended September 30, **2015**	2014	Nine months ended September 30, **2015**	2014
	$	$	**$**	$
Gain on sale of assets	**-**	39,232	**-**	1,986,963
Per boe	**-**	0.08	**-**	1.46
Gain on repurchase of Class B shares	**-**	-	**-**	7,294,966
Per boe	**-**	-	**-**	5.37
Gain on repurchase of convertible debentures	**-**	-	**-**	17,722,983
Per boe	**-**	-	**-**	13.07

The majority of the gain on sale of assets in 2014 pertains to the sale of the Corporation's Turner Valley interests, part of the Crossfield CGU, for proceeds of $3,752,297, or approximately $61,500 per flowing boe. The non-operated, low-working-interest Turner Valley assets were non-core. The natural gas and oil wells were producing approximately 61 boe per day net at the time of sale on May 1, 2014, which was comprised of 5 bbls per day of crude oil, 23 bbls per day of NGL and 195 Mcf per day of natural gas.

The remaining gain on sale of assets in 2014 is the entire proceeds received on disposition of various pieces of spare equipment. There may be additional spare inventory that is disposed of in future periods, but this is anticipated to be significantly smaller than the 2014 sales.

The gain on repurchase of Class B shares during the second quarter of 2014 was for the repurchase of 1,505,400 Class B shares, by way of an issuer bid, which closed on May 5, 2014.

The gain on repurchase of convertible debentures during the first quarter of 2014 related to the debentures issued in 2013, with a $32.6 million face value ($31.3 million book value), which were issued in consideration of the 2013 Acquisition. On March 26, 2014 an agreement was reached to repurchase all of the 2013 debentures for consideration of $13.6 million, resulting in a gain of $17.7 million.

Finance Expense

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
	$	$	**$**	$
Interest on convertible debentures	**-**	-	**-**	540,808
Interest on bank debt	**422,127**	370,713	**1,202,549**	1,282,529
Interest on long-term contract obligation	**505,101**	499,324	**1,522,960**	1,033,790
Financing costs	**20,000**	19,639	**75,000**	591,345
Cash finance expense	**947,228**	889,676	**2,800,509**	3,448,472
Accretion on decommissioning provision	**452,029**	554,644	**1,324,297**	1,592,750
Accretion on Class B share liability	**106,125**	97,361	**311,636**	708,092
Accretion on convertible debentures	**-**	-	**-**	372,871
Non-cash finance expense	**558,154**	652,005	**1,635,933**	2,673,713
Total finance expense	**1,505,382**	1,541,681	**4,436,442**	6,122,185
Per boe	**3.56**	3.22	**3.38**	4.51

Convertible debenture interest and accretion decreased from the nine months ended September 30, 2014 due to the repurchase of the 2013 debentures on March 26, 2014 and the conversion into Class A shares of all of the remaining 2012 debentures on June 30, 2014, resulting in no convertible debenture accretion or interest during 2015.

Interest on the long-term contract obligation and financing costs relate to the facilities joint venture agreement entered into on March 26, 2014 with a third party. Questfire received $15.0 million, a portion of which was used to repurchase the 2013 debentures, in exchange for beneficial ownership of Questfire's natural gas processing facilities at Lookout Butte and Medicine Hat, Alberta. The Corporation pays an annual facility fee of $2,326,300 for 17.5 years, after which beneficial ownership will revert to Questfire.

Accretion on the decommissioning provision decreased in 2015 from the 2014 comparative periods due to longer forecast reserve lives for the East Central and Red Deer CGUs in the December 31, 2014 reserve report.

Accretion on the Class B shares decreased from the nine months ended September 30, 2014 because on May 5, 2014 the Corporation repurchased 1,505,400 Class B shares for $3.9 million. Class B share accretion for the third quarter is higher in 2015 than in 2014 due to the increasing balance on which accretion is calculated. As of the date of this report, there were 550,440 Class B shares outstanding.

Deferred Income Tax

Deferred income tax recovery was $1,907,081 and $2,698,223, respectively, in the three and nine months ended September 30, 2015, compared to expenses of $261,388 and $5,827,033 in the respective comparative periods in 2014. The reversal from expenses to recoveries is a result of the Corporation incurring losses in 2015 versus realizing income in 2014.

Income (Loss)

The Corporation incurred losses of $5,330,460 ($0.31 per share basic and diluted) and $9,234,620 ($0.53 per share basic and diluted), respectively, for the three and nine months ended September 30, 2015, compared to income of $648,466 ($0.04 per share basic and $0.03 per share diluted) and $23,195,263 ($1.59 per share basic and $0.81 per share diluted) for the respective comparative periods in 2014. The current periods' losses resulted primarily from lower realized commodity prices. The income in the three and nine months ended September 30, 2014 resulted primarily from a combination of the gain on repurchase of the Class B shares in the second quarter of 2014, the gain on repurchase of 2013 debentures in the first quarter of 2014, and from higher realized commodity prices.

Supplemental Quarterly Information

The following tables summarize key financial and operating information for the periods indicated:

Funds Flow from Operations

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Income (loss)	**(5,330,460)**	648,466	**(9,234,620)**	23,195,263
Non-cash items:				
Unrealized loss (gain) on risk management	**878,710**	(1,318,632)	**2,713,842**	(593,720)
Share-based compensation	**172,877**	159,833	**524,249**	395,171
D&D	**2,808,838**	3,825,360	**8,674,310**	9,799,008
Impairment of property and equipment	**4,500,000**	-	**4,500,000**	-
Acquired office lease amortization	**-**	23,181	**-**	162,267
Deferred income tax expense (recovery)	**(1,907,081)**	261,388	**(2,698,223)**	5,827,033
Repurchase of Class B shares	**-**	-	**-**	(7,294,966)
Repurchase of convertible debentures	**-**	-	**-**	(17,722,983)
Finance expense	**1,505,382**	1,541,681	**4,436,442**	6,122,185
Gain on sale of assets	**-**	(39,232)	**-**	(1,986,963)
Funds flow from operations	**2,628,266**	5,102,045	**8,916,000**	17,902,295

Netback Analysis

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
	$/boe	$/boe	**$/boe**	$/boe
Average sales price	**23.30**	36.76	**23.82**	41.06
Royalties	**(1.76)**	(5.05)	**(1.88)**	(5.74)
Production and operating expense	**(11.99)**	(15.07)	**(11.98)**	(15.27)
Transportation expense	**(0.90)**	(0.90)	**(0.92)**	(0.98)
Operating netback	**8.65**	15.74	**9.04**	19.07
G&A [1]	**(2.86)**	(3.35)	**(3.03)**	(3.48)
E&E	**(0.46)**	(0.33)	**(0.44)**	(0.28)
Realized gain (loss) on risk management	**1.36**	(1.41)	**1.36**	(2.11)
Bad debt expense	**(0.47)**	-	**(0.15)**	-
Funds flow netback	**6.22**	10.65	**6.78**	13.20
Finance expense	**(3.56)**	(3.22)	**(3.38)**	(4.51)
Gain on sale of assets	**-**	0.08	**-**	1.46
Gain on repurchase of Class B shares	**-**	-	**-**	5.37
Gain on repurchase of convertible debentures	**-**	-	**-**	13.07
Office lease amortization	**-**	(0.05)	**-**	(0.12)
D&D	**(6.64)**	(7.98)	**(6.60)**	(7.22)
Share-based compensation	**(0.41)**	(0.33)	**(0.40)**	(0.29)
Unrealized gain (loss) on risk management	**(2.08)**	2.75	**(2.06)**	0.44
Impairment of property and equipment	**(10.65)**	-	**(3.42)**	-
Deferred income tax (expense) recovery	**4.51**	(0.55)	**2.05**	(4.30)
Income (loss) per boe	**(12.61)**	1.35	**(7.03)**	17.10

(1) Excludes the office lease amortization included below.

Selected Quarterly Information

Three months ended	**Sept. 30, 2015**	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013
Financial ($000s, except per share amounts and share numbers)								
Oil and natural gas sales	**9,854**	10,603	10,854	15,918	17,614	17,131	20,956	15,901
Funds flow from operations	**2,628**	3,236	3,052	5,211	5,102	4,410	8,390	4,782
Per share, basic *($)*	**0.15**	0.19	0.18	0.30	0.29	0.33	0.65	0.37
Per share, diluted *($)*	**0.11**	0.14	0.13	0.24	0.24	0.19	0.18	0.08
Income (loss)	**(5,330)**	(1,904)	(2,000)	1,600	648	8,172	14,375	(1,930)
Per share, basic *($)*	**(0.31)**	(0.11)	(0.12)	0.09	0.04	0.61	1.11	(0.15)
Per share, diluted *($)*	**(0.31)**	(0.11)	(0.12)	0.08	0.03	0.36	0.32	(0.15)
Capital expenditures	**2,310**	914	1,649	2,864	9,927	3,240	3,176	4,302
Total assets *(end of quarter)*	**119,845**	125,498	129,884	133,863	137,201	131,663	140,599	133,177
Working capital deficit *(end of quarter)*	**7,544**	4,166	4,103	4,787	10,479	5,464	44,617	47,554
Long-term contract obligation *(end of quarter)* [1]	**14,246**	14,334	14,418	14,500	14,480	14,574	14,665	-
Non-current bank debt *(end of quarter)*	**39,062**	40,590	40,774	39,000	37,000	37,000	-	-
Shareholders' equity (deficiency) *(end of quarter)*	**15,203**	20,361	22,089	23,914	22,141	21,309	10,414	(4,023)
Weighted-average basic shares outstanding *(000s)*	**17,318**	17,318	17,318	17,318	17,298	13,418	12,963	12,963
Weighted-average diluted shares outstanding *(000s)*	**17,318**	17,318	17,318	21,550	18,838	23,062	48,344	12,963
Operations								
Production								
Natural gas *(Mcf/d)*	**20,684**	20,690	22,341	24,868	23,936	22,123	23,392	24,630
NGL *(bbls/d)*	**627**	599	689	712	712	601	669	718
Crude oil *(bbls/d)*	**522**	605	790	644	507	434	406	467
Total *(boe/d)*	**4,596**	4,652	5,203	5,501	5,208	4,722	4,974	5,290
Average realized prices *($)*								
Natural gas *(per Mcf)*	**2.95**	2.73	2.87	3.74	4.16	4.83	5.97	3.66
NGL *(per bbl)*	**31.72**	40.87	33.25	51.38	63.87	66.24	82.05	63.71
Crude oil *(per bbl)*	**50.13**	58.72	42.51	67.23	91.40	95.62	94.48	78.97
Operating netback *(per boe)*	**8.65**	9.53	8.96	13.78	15.74	16.74	24.87	12.98
Funds flow netback *(per boe)*	**6.22**	7.65	6.52	10.30	10.65	10.26	18.74	9.83

(1) Long-term contract obligation excludes current portion, which is included in working capital deficit.

Inherent to the nature of the oil and gas industry, fluctuations in Questfire's quarterly oil and natural gas sales, funds flow from or used in operations, and income or loss are primarily caused by variations in production volumes, realized commodity prices and the related impact on royalties, realized and unrealized gains/losses on financial instruments, changes in per-unit expenses, and deferred income taxes. Please refer to the Financial and Operating Results section above for an explanation of changes.

Capital Expenditures

	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
	$	$	**$**	$
Land	**13,964**	12,674	**55,180**	93,451
Geological and geophysical	**20,167**	215,054	**22,802**	403,915
Drilling and completions	**2,153,362**	6,960,728	**2,818,609**	10,690,684
Production equipment and facilities	**83,143**	2,155,828	**1,518,733**	3,943,365
Well workovers and recompletions	**36,718**	490,065	**454,664**	1,107,430
Office equipment	**2,317**	92,173	**2,317**	104,004
	2,309,671	9,926,522	**4,872,305**	16,342,849

At September 30, 2015, the Corporation had E&E assets of $1,679,187 (December 31, 2014 – $1,679,187). This included 117,194 net acres of undeveloped land.

At September 30, 2015, the Corporation had gross property and equipment of $147,216,060. This included developed land and costs associated with the wells the Corporation has drilled and acquired to date. As well, it included $252,670 incurred since inception to purchase computer hardware and software, associated office furniture and office improvements for use by Questfire employees and consultants to evaluate oil and natural gas leads.

During the first nine months of 2015, Questfire spent approximately $2.3 million on drilling and completing its first 100 percent working interest horizontal Falher gas well in the Morningside field of central Alberta, which spud on August 26th. The remainder was spent on mandatory spending related to the sales line upgrades at its Lookout Butte field and for facility maintenance and optimization projects and completing and equipping an oil well which had been drilled late in the fourth quarter of 2014.

Share Capital and Option Activity

As at the date hereof, the Corporation had 17,318,001 Class A shares, 550,440 Class B shares, and 3,291,000 stock options outstanding. Each Class B share is convertible (at Questfire's option) into Class A shares at any time before November 30, 2016. The number of Class A shares to be issued upon conversion of one Class B share is calculated by dividing $10 by the greater of $1 and the 30-day weighted-average market price of the Class A shares. If conversion has not occurred by the close of business on November 30, 2016, the Class B shares become convertible (at the shareholder's option) into Class A shares on the same basis. Effective at the close of business on December 31, 2016, all remaining Class B shares will be automatically converted into Class A shares.

Liquidity and Capital Resources

At September 30, 2015, the Corporation had a working capital deficit of $7,544,177. Funds flow from operations for the three and nine months ended September 30, 2015 were $2,628,266 and $8,916,000, respectively. Year-to-date and annualized funds generated from operations are in excess of the current working capital deficit. Funds generated from operations are anticipated to be used for capital expenditures.

The significant decline in commodity prices has caused the Corporation to defer the majority of its capital expenditure program for operated properties in order to maintain financial flexibility. The Corporation is in a position to resume its planned capital program as soon as commodity prices improve.

The Corporation's credit facility is a committed facility, which operates as a revolving facility for a 364-day term, extendible annually for a further 364-day revolving period, subject to a one-year term-out period should the lender not agree to an annual extension. The current conversion or extension date is May 31, 2016, with a semi-annual review to be performed by November 30, 2015. The Corporation expects that it will have sufficient cash on hand to meet immediate obligations by actively monitoring its credit facilities through co-ordinating payment and revenue cycles each month and a hedging program to mitigate commodity price risk and secure cash flows. The Corporation's management expects that the lender will extend the credit facility; there is no assurance, however, that it will do so. Should the lender not extend the loan, the Corporation would need to seek alternative sources of debt or equity financing.

The credit facility had $39.1 million drawn and $15.9 million undrawn at September 30, 2015. The facility bears interest at a range of prime plus 1 percent to prime plus 3.5 percent per annum, depending on the Corporation's adjusted senior debt to EBITDA ratio as defined by the agreement. The facility requires the Corporation to maintain a minimum adjusted working capital ratio of at least 1:1 as well as a debt to EBITDA ratio, as defined by the agreement, of less than 3.75:1 at September 30, 2015, 4.0:1 at December 31, 2015, 3.75:1 at March 31, 2016, 3.5:1 at June 30, 2016 and 3.0:1 thereafter, and is secured by all of the Corporation's assets.

The Corporation's long-term contract obligation relates to the facilities joint venture agreement with a third party, to which the Corporation pays an annual facility fee of $2,326,300 for 17.5 years. Questfire has the option to terminate the joint venture agreement on payment of an amount which will provide the partner with a compound annual yield on its investment of 13.25 percent to the later of 48 months or the date the option is exercised. Upon the payment of aggregate processing fees to the partner of a minimum of $19.5 million, the partner has the option to sell back to Questfire its beneficial interest in the facilities for the sum equal to the total remaining scheduled processing payments, discounted at 17.5 percent to the time of exercise.

The size of the Corporation's capital expenditures will be affected by the total funding available through varying combinations of the funds generated from operations, additional debt or equity as market conditions may allow, and potential asset sales if the Corporation so chooses. Management believes that if a farm-out or asset sale were to be conducted, funds received would be sufficient to eliminate the current working capital deficit.

The Corporation generally relies on operating cash flows, equity issuances and its credit facility to fund its capital requirements and provide liquidity. From time to time, the Corporation may access capital markets to meet additional financing needs and to maintain flexibility in funding its capital programs. Future liquidity depends primarily on funds flow generated from operations, drawing on existing credit facilities and accessing debt and equity markets.

Off-Balance-Sheet Arrangements

The Corporation does not have any special-purpose entities nor is it a party to any arrangements that would be excluded from the balance sheet.

Commitments

As part of its normal operations, Questfire has committed to paying certain amounts over the next five years and thereafter as follows:

	2015	2016	2017	2018	2019	Thereafter
	$	$	$	$	$	$
Office lease base rent	200,813	803,254	803,254	803,254	468,565	-

Questfire's commitments related to its risk management program are disclosed in "Risk Management" and its commitments related to its long-term contract obligation are disclosed in "Liquidity and Capital Resources".

Related-Party Transactions

The Corporation retains a law firm to provide legal services, in which one of the Corporation's directors, Roger MacLeod, is a partner. Legal fees of $6,000 and $35,990 were incurred by Questfire to the law firm in the respective three and nine months ended September 30, 2015 (three and nine months ended September 30, 2014 – $64,108 and $254,474, respectively), of which $6,000 and $35,990, respectively (three and nine months ended September 30, 2014 – $48,433 and $100,451, respectively), was related to general and administrative expenses and $Nil for both periods (three and nine months ended September 30, 2014 – $15,675 and $154,023, respectively) was related to financing expense. At September 30, 2015, $25,200 (December 31, 2014 – $22,050) related to these amounts was included in accounts payable and accrued liabilities and was due under normal credit terms.

Hedging

The Corporation utilizes an active hedging program, with the objective to provide a measure of downside protection for its oil and natural gas sales and cash flow from operations, while maximizing exposure to potential commodity pricing upside. At September 30, 2015, the Corporation's hedges covered approximately 60 percent of forecast production for the remainder of 2015, with 15 percent in the form of a costless collar and 45 percent in the form of purchased puts (see "Risk Management" above).

Critical Accounting Judgments, Estimates and Policies

The Corporation's critical accounting judgements, estimates and policies are described in notes 2 and 3 to the December 31, 2014 annual financial statements and September 30, 2015 interim condensed financial statements. Certain accounting policies are identified as critical because they require management to make judgments and estimates based on conditions and assumptions that are inherently uncertain, and because the estimates are of material magnitude to revenue, expenses, funds flow from operations, income or loss and/or other important financial results. These accounting policies could result in materially different results should the underlying conditions change or the assumptions prove incorrect.

Critical accounting estimates are those requiring management to make particularly subjective or complex judgments about inherently uncertain matters. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognized in the same period.

Management's assumptions are based on factors that, in management's opinion, are relevant and appropriate, and may change over time as operating conditions change.

New accounting standards

There were no new or amended accounting standards or interpretations adopted during the nine months ended September 30, 2015.

Additional GAAP measure

Questfire uses “funds flow from operations” (cash from operating activities before changes in non-cash working capital and decommissioning costs incurred), an additional GAAP measure that is not defined under IFRS. Funds flow from operations should not, however, be considered an alternative to, or more meaningful than, cash from operating activities, income or loss, or other measures determined in accordance with IFRS, as an indicator of the Corporation’s performance. Management uses funds flow from operations to analyze operating performance and leverage, and believes it is a useful supplemental measure as it provides an indication of the funds generated by Questfire’s principal business activities prior to consideration of changes in working capital and remediation expenditures.

Non-GAAP measures

This MD&A includes references to financial measures commonly used in the oil and natural gas industry. The terms “operating netback” (oil and natural gas sales less royalties, production and operating, and transportation expenses) and “funds flow netback” (operating netback less G&A and transaction expenses, E&E expenditures and realized gain or loss on risk management) are not defined under IFRS, which have been incorporated into GAAP, as set out in Part 1 of the Chartered Professional Accountants Canada Handbook – Accounting, and may not be comparable with similar measures presented by other companies. Operating netback and funds flow netback are per-unit-of-production measures that may be used to assess the Corporation’s performance and efficiency.

Basis of Barrel of Oil Equivalent

Petroleum and natural gas reserves and production volumes are stated as a “barrel of oil equivalent” (boe), derived by converting gas to 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 energy equivalency, which is 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 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

Forward-Looking Statements

This document contains certain forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied. Such forward-looking statements necessarily involve risks including without limitation those associated with oil and natural gas exploration, property development, production, marketing and transportation, such as dry holes and non-commercial wells, facility and pipeline damage, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, production declines, health, safety and environmental risks, competition from other producers and the ability to access sufficient capital from internal and external sources. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, or similar words suggesting future outcomes. The Corporation cautions readers and prospective investors in the

Corporation's securities not to place undue reliance on forward-looking information as, by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Corporation. Readers are further cautioned not to place undue reliance on forward-looking statements, as no assurances can be given as to future results, levels of activity or achievements.

Forward-looking information may involve substantial known and unknown risks and uncertainties, certain of which are beyond the Corporation's control. Such risks and uncertainties include, without limitation: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices for oil and natural gas; delays in business operations; pipeline restrictions; blowouts; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating oil and natural gas reserves; risks and uncertainties related to oil and gas interests and operations on aboriginal lands; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value of acquisitions and exploration and development programs; unexpected geological, technical, drilling, construction, processing and transportation problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; general economic, market and business conditions; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws, tax laws, Crown royalty rates and incentive programs relating to the oil and gas industry; and other factors, many of which are outside the Corporation's control. Therefore, the Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward looking estimates and whether such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits or detriments the Corporation will derive therefrom.

The forward-looking information included herein is expressly qualified in its entirety by this cautionary statement. It is made as of the date hereof and the Corporation assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

Abbreviations

The following summarizes the abbreviations used in this document:

Crude Oil and Natural Gas Liquids

bbl	barrel
Mbbl	thousand barrels
bbls/d	barrels per day
boe	barrel of oil equivalent
Mboe	thousand barrels of oil equivalent
boe/d	barrel of oil equivalent per day
NGL	natural gas liquids

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
GJ	Gigajoule. One Mcf of natural gas is about 1.05 GJ
MMBtu	million British thermal units. One GJ is about 0.95 MMBtu.

Other

AECO	refers to the AECO Hub, a natural gas storage facility located in Suffield and Countess, Alberta
$000s	thousands of dollars
IFRS	International Financial Reporting Standards
IAS	International Accounting Standard

Corporate Information

BOARD OF DIRECTORS

RICHARD DAHL (1)(2)(3)
President & CEO
Questfire Energy Corp.
Calgary, Alberta

NEIL DELL (1)(3)(4)
Independent Businessman
Calgary, Alberta

ROGER MACLEOD (1)(2)(4)
Partner
DLA Piper (Canada) LLP
Calgary, Alberta

JOHN RAMESCU (3)(4)
Vice President, Land
Questfire Energy Corp.
Calgary, Alberta

Notes:
(1) Audit Committee
(2) Corporate Governance Committee
(3) Reserves Committee
(4) Compensation Committee

OFFICERS

RICHARD DAHL
President & Chief Executive Officer

DARREN KISSER
Vice President, Engineering and Operations

FRED LAUDEL
Vice President, Exploration

JOHN RAMESCU
Vice President, Land

BRUCE SHEPARD
Vice President, Exploitation

RONALD WILLIAMS
Vice President, Finance & Chief Financial Officer

GRAHAM NORRIS
Corporate Secretary

HEAD OFFICE
Suite 1100, 350 – 7th Avenue S.W.
Calgary, Alberta
T2P 3N9

Telephone: 403-263-6688
Facsimile: 403-263-6683

AUDITORS
Collins Barrow Calgary LLP
Calgary, Alberta

BANKERS
Alberta Treasury Branches
TD Canada Trust

EVALUATION ENGINEERS
GLJ Petroleum Consultants Ltd.
Calgary, Alberta

LEGAL COUNSEL
DLA Piper (Canada) LLP
Calgary, Alberta

TRANSFER AGENT
Computershare Limited
Calgary, Alberta

STOCK EXCHANGE LISTING
TSX Venture Exchange
Symbols: Q.A and Q.B