



CALGARY, ALBERTA – March 21, 2017

QUESTFIRE ANNOUNCES DECEMBER 31, 2016 CORPORATE RESERVES

Questfire Energy Corp. (the **Corporation** or **Questfire**) (TSX Venture – Q.A) is pleased to announce the results of its independent reserves evaluation effective as of December 31, 2016 as prepared by GLJ Petroleum Consultants Ltd. (**GLJ**), the Corporation's independent qualified reserves evaluator. The evaluation was prepared in accordance with reserves definitions, standards and procedures contained in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities (NI 51-101)* and the *Canadian Oil and Gas Evaluation Handbook*. The financial, netback and production figures for 2016 shown herein are currently unaudited.

Highlights of the Reserve Evaluation

Questfire employed cashflow capital spending of \$0.65 million in 2016 and achieved an average operating netback of \$6.45 per barrel of oil equivalent (**boe**) and fourth quarter average production of 4,521 boe per day (**boepd**).

Proved plus Probable Reserves:

- Year end 2016 proved plus probable (**P+P**) reserves total 28.870 million boe, a decrease of 8 percent over year end 2015 P+P reserves of 31.450 million boe

Total Proved Reserves:

- Year end 2016 total proved (**TP**) reserves total 17.624 million boe, a decrease of 11 percent over year end 2015 TP reserves of 19.860 million boe

Total Proved Producing Reserves:

- Year end 2016 proved producing (**PDP**) reserves total 13.474 million boe, a decrease of 11 percent over year end 2015 PDP reserves of 15.151 million boe

Reserve life index (RLI): The RLI at year-end 2016 is 17.5 years for P+P reserves, 10.7 years for TP reserves and 8.2 years for PDP reserves (based on annualized fourth quarter 2016 average production of 4,521 boepd and December 31, 2016 Working Interest Reserves).

- TP reserves accounted for 61 percent of the P+P reserves.

Operations

Questfire minimized all spending in response to the low and uncertain commodity price environment in 2016, with only \$0.65 million spent on maintenance capital projects and no new drilling. Approximately \$11 million of non-core assets were sold during the year, with proceeds thereof used to reduce bank debt. These sold assets had net production of approximately 120 boepd (60 percent gas) average for 2016.

In spite of no new drilling in 2016, Questfire averaged 4,631 boepd of production (24 percent oil and natural gas liquids) for the year, with fourth quarter average production of 4,521 boepd. Compared to 2015 average fourth quarter production of 5,060 boepd, and accounting for the sold production, gives a fourth quarter year-over-year production decline rate of only 9 percent. Such decline rate is very low by industry standards and is a significant advantage for Questfire in a low commodity price environment.

December 31, 2016 Working Interest Reserve Summary, Before Income Tax and Royalties

Reserves Category	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)	Total Oil Equivalent (Mboe)
Proved Producing	738	33	64,233	1,998	13,474
Proved Developed – Non-Producing	19	7	4,852	171	1,005
Proved Undeveloped	37	-	16,065	429	3,144
Total Proved	794	40	85,150	2,597	17,624
Probable	1,633	290	48,050	1,315	11,246
Total Proved Plus Probable	2,427	330	133,200	3,912	28,870

Net Present Value (NPV) of Future Net Revenue Before Income Tax

The table below shows the Corporation's NPV of future net revenue attributable to Total Company Interest reserves using forecast prices and costs, before income taxes and discounted at the rates shown. The price forecast used is the average of GLJ, McDaniel and Associates and Sproule Petroleum Consultants price forecasts effective January 1, 2017. The estimated future net revenues are presented before deducting income tax and are reduced for estimated future abandonment and reclamation costs and future capital costs associated with non-producing, undeveloped and probable additional reserves. Estimated values disclosed do not represent fair market value.

Reserves Category	0% (M\$)	5% (M\$)	8% (M\$)	10% (M\$)	12% (M\$)	15% (M\$)	20% (M\$)
Proved Producing	165,749	120,041	103,305	94,608	87,319	78,363	67,115
Proved Developed – Non-Producing	10,756	8,160	7,010	6,373	5,822	5,125	4,225
Proved Undeveloped	37,787	21,379	15,509	12,570	10,191	7,401	4,165
Total Proved	214,293	149,580	125,824	113,551	103,332	90,889	75,505
Probable	263,928	114,212	74,087	56,657	43,833	30,227	16,290
Total Proved Plus Probable	478,221	263,791	199,911	170,208	147,165	121,117	91,795

Reserve Change Summary

The table below summarizes reserve changes for 2016. All cases include changes in FDC and technical revisions. Total capital spent in 2016 was \$0.65 million. The operating netback for 2016 was \$6.45 per boe.

		Proved Producing (Mboe)	Total Proved (Mboe)	Proved Plus Probable (Mboe)
December 31, 2015 Working Interest Reserves	A	(15,151)	(19,860)	(31,450)
December 31, 2016 Working Interest Reserves	B	13,474	17,624	28,870
2016 Full Year Production ⁽¹⁾	C	1,695	1,695	1,695
Dispositions	D	171	327	768
2016 Reserve Changes ⁽²⁾	E	189	(214)	(117)

⁽¹⁾ 2016 Full Year Production is estimated and remains unaudited at this time.

⁽²⁾ 2016 Reserve Changes are calculated as the 2016 Working Interest Reserves (B) less the 2015 Working Interest Reserves (A) plus 2016 production (C) plus dispositions (D). Reserve Additions are the change in reserves, removing the impact of production during the year as well as dispositions.

Reserve Life Index (RLI)

The reserve life index was calculated using the Corporation's Working Interest Reserves and the 2016 fourth quarter average production rate of 4,521 boepd (includes royalty volumes). The RLI is calculated by dividing reserve volumes (in boe) in each category by the annualized 2016 fourth quarter production rate (in boe/year).

	<u>Proved Producing</u>	<u>Total Proved</u>	<u>Proved Plus Probable</u>
Working Interest Reserves (Mboe)	13,474	17,624	28,870
Annualized Q4 2016 Production (Mboe/year) ⁽¹⁾	1,650	1,650	1,650
Reserve Life Index (years)	8.2	10.7	17.5

⁽¹⁾ Estimated and unaudited fourth quarter production of 415,936 boe divided by 92 days in the fourth quarter, multiplied by 365 days, equals an annualized figure of 1,650,181 boe.

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.

Complete filings of the Corporation's Statement of Reserves (form 51-101F1), Report on Reserves (form 51-101F2), and Report of Management and Directors on Oil and Gas Disclosure (form 51-101F3) will be available in the Annual Information Form (AIF) to be filed on or about April 27, 2017 under the Corporation's profile on SEDAR at www.sedar.com.

Non-GAAP Measures

This news release contains references to terms commonly used in the oil and natural gas industry. The term "netback" in this news release is not a recognized measure under generally accepted accounting principles in Canada. The term "netback" is used as a key performance indicator and it is used by the Corporation to evaluate the operating performance of its oil and natural gas assets and is determined by deducting royalties, transportation and operating expenses from oil and natural gas sales. Readers are cautioned; however, that this measure should not be construed as an alternative to net earnings or cash flow from operating activities determined in accordance with generally accepted accounting principles in Canada as an indication of the Corporation's performance.

Reserves Definitions & Reader Advisory

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories. Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing. Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production

must be known with reasonable certainty. Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production but are shut-in and the date of resumption of production is unknown. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

"Total Company Interest" reserves and values refer to the sum of royalty interest and working interest reserves before deduction of royalty burdens payable. "Working Interest Reserves" equate to those reserves that are referred to as "Company Gross" reserves by the Canadian Securities Administrators in NI 51-101.

Reserves and production are stated in "barrels of oil equivalent" (boe) derived by converting gas to an oil equivalency in the ratio of six thousand cubic feet of gas to one barrel of oil. A boe conversion ratio of 6 Mcf: 1 bbl 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 in the range of 15-25 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

Some values set forth in the tables above may not add due to rounding. Estimates of future net revenues presented in the tables above do not represent fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material.

This news release contains certain forward-looking statements, including anticipated reserves, production, future net revenue, composition of commodity mix and reserve life index, 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Mr. Richard Dahl
President and CEO
(403) 263-6691
(403) 263-6683 (fax)

Mr. Ronald Williams
Vice President, Finance and CFO
(403) 263-6658
(403) 263-6683 (fax)

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.

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.

Not for dissemination in the United States or to U.S. persons.
