CALGARY, ALBERTA – March 26, 2014

QUESTFIRE ENERGY CORP. ANNOUNCES AGREEMENT TO REPURCHASE DEBENTURES, ISSUER BID FOR CLASS B SHARES, FACILITIES JOINT VENTURE AND AMENDMENTS TO CREDIT FACILITIES

Questfire Energy Corp. (the "Corporation" or "Questfire") (TSX Venture – Q.A, Q.B) announces that it has entered an agreement with the sole holder (the "Debentureholder") of its Convertible Senior Secured Debentures due April 30, 2016 for Questfire to repurchase all of such debentures at an aggregate purchase price of $13.6 million, effective March 26, 2014. Questfire also agreed that it would make an offer to purchase by way of Issuer Bid, all of its 2,055,840 issued and outstanding (as at the date hereof) Class B Shares at the purchase price of $2.60 per share. The Debentureholder is also the largest holder of Class B Shares and has agreed to tender all of its 1.5 million Class B Shares to the Issuer Bid.

The closing price of the Class B Shares on the TSX Venture exchange on March 21, 2014, the last full day on which the Class B Shares traded prior to the announcement of the Corporation's intention to make the offer, was $4.45. The daily volume-weighted average trading price of the Class B Shares on the TSX Venture for the 20 trading days preceding this announcement was $2.75.

Details of the Issuer Bid, including instructions for tendering Class B Shares, will be included in the formal offer to purchase and in the Issuer Bid circular and other related documents (collectively, the "Offer Documents") to be filed with the applicable securities regulators and made available shortly on SEDAR at www.sedar.com. The Issuer Bid is conditional upon a minimum of 1.5 million Class B Shares being tendered, as well as other conditions. The Offer Documents will be mailed to shareholders and the Issuer Bid will remain open for acceptance until 11:59PM MDT, May 5, 2014, unless withdrawn or extended by the Corporation. The Corporation will fund purchases of Class B Shares pursuant to the Issuer Bid with a combination of cash on hand and by drawing on the Corporation's revised credit facility (see below).

The Corporation has also entered into a facilities joint venture agreement ("JVA") with Stream Asset Financial Questfire LP ("SAFQ LP") under which SAFQ LP paid $15 million to Questfire in exchange for beneficial ownership of Questfire's natural gas processing facilities (the "Facilities") at Lookout Butte and Medicine Hat, Alberta. Pursuant to the JVA, Questfire will operate the Facilities and will continue to process its Lookout Butte and Medicine Hat natural gas production through the Facilities. Questfire will pay SAFQ LP a facility tariff fee of $2,326,300 per year for 17.5 years, following which SAFQ LP will transfer its interest back to Questfire and the arrangement will be terminated. The agreement is effective, and payment in cash of the above sum was made on, March 26, 2014.

Questfire will have the option to terminate the JVA earlier on payment of an amount which will provide SAFQ LP with an annual compound annual yield on its investment of 13.25 percent for a minimum of 48 months or until the option is exercised. Upon the payment of aggregate processing fees to SAFQ LP of a minimum of 130 percent of its investment, SAFQ LP will have the option to sell back to Questfire its interest in the Facilities for the sum equal to the total remaining scheduled processing payments using a 17.5 percent discount rate back to the time of exercise of the option by SAFQ LP.

As a result of the above transactions, Questfire has negotiated with a syndicate of Canadian banks for the provision, effective March 26, 2014, of a revised revolving credit facility in the amount of $55.0 million (replacing the existing $60.0 million revolving credit facility) and a new $5.0 million non-revolving development demand line (collectively the "Credit Facilities"). The $55.0 million revolving credit facility will be revised to $52.5 million on September 30, 2014, and $50.0 million on December 31, 2014.

The Corporation is subject to certain reporting and financial covenants in its Credit Facilities. In addition a new operational covenant requires the Corporation to enter into hedging contracts for at least 50 percent of its forecast production for 2015 and 2016, at a price equal to or above $3.00 per GJ, before July 1, 2014.

The Corporation voluntarily halted trading in the Class A and Class B Shares on March 24, 2014 and trading thereof is expected to resume at market open on March 27, 2014.

Questfire Energy Corp. is an Alberta-based company formed to participate in oil and natural 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 12,963,001 Class A shares and 2,055,840 Class B shares outstanding.

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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

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 including banking arrangements, 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.*

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