CALGARY, ALBERTA – April 26, 2017

QUESTFIRE ENERGY CORP. ANNOUNCES 2016 FINANCIAL RESULTS AND FILES ITS ANNUAL INFORMATION FORM

Questfire Energy Corp. (the "Corporation" or "Questfire") (TSX Venture – Q.A) is pleased to announce that it has filed on SEDAR its audited financial statements, related management's discussion and analysis ("MD&A") and Annual Information Form (AIF) for the year ended December 31, 2016. Included in the AIF are the Corporation's reserves data and other oil and gas information as of December 31, 2016 as prepared by GLJ Petroleum Consultants Ltd. (GLJ), the Corporation's independent reserves evaluator. The evaluation was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

Financial and Operating Highlights

	Three months ended December 31,		Year ended December 31,	
	2016	2015	**2016**	2015
Financial				
Oil and natural gas sales	**$ 10,445,951**	$ 9,405,900	**$ 32,180,438**	$ 40,717,011
Funds flow from operations (1)	**2,550,831**	2,627,473	**4,833,132**	11,543,473
Per share, basic	**0.13**	0.15	**0.27**	0.67
Per share, diluted	**0.11**	0.11	**0.21**	0.48
Income (loss)	**2,752,322**	(1,152,161)	**(7,528,123)**	(10,386,781)
Per share, basic	**0.14**	(0.07)	**(0.42)**	(0.60)
Per share, diluted	**0.12**	(0.07)	**(0.42)**	(0.60)
Capital expenditures	**230,858**	82,743	**650,489**	4,955,048
Proceeds from property dispositions	**$ 8,352,653**	$ -	**10,610,040**	-
Working capital deficit *(end of period)* (2)			**41,325,801**	9,653,400
Long-term contract obligation *(end of period)* (3)			**13,760,534**	14,155,697
Long-term bank debt *(end of period)*			**-**	41,406,473
Shareholders' equity *(end of period)*			**$ 12,715,156**	$ 14,251,344
Shares outstanding *(end of period)*				
Class A			**22,822,401**	17,318,001
Class B			**-**	550,440
Options outstanding *(end of period)*			**3,133,500**	3,566,000
Weighted-average basic shares outstanding	**19,232,575**	17,318,001	**17,799,260**	17,318,001
Weighted-average diluted shares outstanding	**23,473,125**	17,318,001	**17,799,260**	17,318,001
Class A share trading price				
High	**$ 0.59**	$ 1.44	**$ 0.74**	$ 1.95
Low	**0.24**	0.30	**0.24**	0.30
Close	**$ 0.34**	$ 0.59	**$ 0.34**	$ 0.59

	Three months ended December 31,		Year ended December 31,	
	2016	2015	**2016**	2015
Operations (4)				
Production				
Natural gas *(Mcf/d)*	**20,746**	23,245	**21,008**	21,741
Natural gas liquids (NGL) *(bbls/d)*	**695**	674	**706**	647
Crude oil *(bbls/d)*	**368**	512	**424**	606
Total *(boe/d)*	**4,521**	5,060	**4,631**	4,877
Benchmark prices				
Natural gas				
AECO *(Cdn$/GJ)*	**$ 2.94**	$ 2.34	**$ 2.05**	$ 2.55
Crude oil				
WTI *(US$/bbl)*	**49.29**	42.18	**43.32**	48.80
Canadian Light *(Cdn$/bbl)*	**60.76**	52.55	**52.79**	57.45
Average realized prices (5)				
Natural gas *(per Mcf)*	**3.27**	2.57	**2.30**	2.78
NGL *(per bbl)*	**34.97**	31.74	**29.16**	34.24
Crude oil *(per bbl)*	**58.30**	41.02	**44.88**	47.89
Operating netback *(per boe)* (6)	**11.28**	6.89	**6.45**	8.48
Funds flow netback *(per boe)* (6)	**$ 6.13**	$ 5.64	**$ 2.85**	$ 6.49

(1) For a description of Funds flow from operations, refer to the commentary in the MD&A under Funds flow from operations under Critical Accounting Judgments, Estimates and Policies.

(2) Working capital deficit includes risk management contract and convertible Class B share liabilities of $2,957,743 and $Nil, respectively (December 31, 2015 – risk management contract assets of $Nil and convertible Class B share liability of $5,086,857). Excluding this, the working capital deficit would be $38,368,058 (December 31, 2015 – $4,566,543).

(3) Long-term contract obligation excludes current portion of $395,163 (December 31, 2015 – $344,448), which is included in working capital deficit.

(4) For a description of the boe conversion ratio, see "Reader Advisory".

(5) Before hedging.

(6) For a description of Operating netback and Funds flow netback, refer to the commentary in the MD&A under Non-GAAP measures.

2016 Corporate Highlights

- Achieved average production of 4,631 boe per day for the year and 4,521 boe per day for the fourth quarter, 76 percent natural gas. The average production for 2016 is within 5 percent of the 4,877 boe per day produced in 2015 despite having no drilling activity in 2016, underscoring the benefits of the Corporation's low-decline production base.
- Generated a sharply improved fourth quarter operating netback of $11.28 per boe compared to $6.89 per boe in the fourth quarter of 2015 and $7.84 per boe in the third quarter of 2016.
- Achieved funds flow from operations of $4.8 million ($0.27 per basic share) on sales of $32.2 million during 2016. Although full-year funds flow was down significantly from 2015, fourth-quarter 2016 funds flow from operations of $2.6 million was essentially unchanged from the fourth quarter of 2015.
- Minimized capital spending with no new drilling, resulting in total capital expenditures of $650,489.
- Incurred operating costs of $10.98 per boe in the fourth quarter and $10.46 per boe in the full year. Annual operating costs per unit of production declined by 11 percent from 2015.
- Incurred general and administrative (G&A) costs of $4.4 million for the year, representing a 15 percent reduction from 2015.

- Revised the maturity of the Corporation's bank facility to May 31, 2017 and amended the terms to include a revised $28 million operating and syndicated facility plus an $8.1 million supplemental facility.

President's Message

Two-thousand sixteen marked the third year of a significant downturn for the oil and natural gas industry, largely driven by weak commodity prices. Rather than experiencing a recovery in oil and gas prices as widely expected, the first half of 2016 saw prices for both oil and gas continue to drop to 20-year lows. This hit Questfire particularly hard as we had virtually no commodity price hedges for the first half of 2016. Along with reduced commodity prices came downward revisions to our senior bank borrowing base.

In response to these significant challenges our strategy, as always, was to work hard to make the best of a tough situation. Over the year we sold approximately 120 boe per day of non-core production, generating proceeds of approximately $10.6 million, all of which was applied to reduce debt. We minimized capital spending which resulted in no new drilling and only $650,489 of capital spending on mandatory maintenance and miscellaneous projects. We also continued to focus on cost reductions, achieving a 15 percent reduction in gross G&A costs and an 11 percent reduction in unit operating costs over 2015. The Questfire management and field operations team worked hard to reduce all downtime and maintain maximum production while minimizing spending. Along with the low-decline nature of our production base, this held the year-over-year decline in average annual production to just 5 percent. We are very satisfied with this result given no drilling, 120 boe per day of asset sales and very low capital spending.

The second half of 2016 saw slow and steady improvement in commodity prices and, as a result, essentially all $4.8 million of our funds flow from operations for the year was generated in the second half of 2016. In December, our bank facility was extended to May 31, 2017 with a $28 million conforming and an $8.1 million supplemental facility. With the fourth quarter's sharply improved operating netback, the continued nearly flat production, the higher realized pricing for all commodities and the essentially flat funds flow from operations from the fourth quarter of 2015, we are optimistic that Questfire's overall position will continue to improve.

The outlook for commodity prices is positive for 2017 and beyond. The improvement in pricing is happening at a slow pace compared to past recoveries, but the fundamentals are in place for further gains. Questfire's goals for 2017 include continued reduction in overall debt and achieving an extension of banking facilities beyond May 31, 2017. With continued debt reduction and improvement in commodity prices, we expect to return to drilling and growth in the second half of 2017.

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.

To view a full copy of the Corporation's financial results for the year ended December 31, 2016, including the Corporation's audited financial statements and accompanying MD&A, please refer to the SEDAR website at www.sedar.com or contact the Corporation at Questfire Energy Corp., 1100, 350 – 7th Ave S.W., Calgary, Alberta, T2P 3N9.

Reader Advisory

*Petroleum and natural gas volumes are stated as a "**barrel of oil equivalent**" (boe), derived by converting gas to an 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 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 approximately 15-30 Mcf to 1 bbl. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.*

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, 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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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.