

FOR IMMEDIATE RELEASE



NEWS RELEASE

WestFire Energy Completes Strategic Merger with Orion Oil & Gas Creating a Uniquely Positioned Intermediate Producer Focusing on the Viking Light Oil Resource Play and Establishes a New \$200 Million Syndicated Credit Facility

Calgary, Alberta, June 30, 2011 - WestFire Energy Ltd. ("**WestFire**") (TSX: WFE) is pleased to announce the successful completion of the strategic merger with Orion Oil & Gas Corporation ("**Orion**") pursuant to the previously announced plan of arrangement (the "**Arrangement**"). Immediately upon completion of the Arrangement, WestFire and Orion amalgamated under the *Business Corporations Act* (Alberta), continuing as WestFire Energy Ltd.

The requisite approvals of the shareholders of each WestFire and Orion and the Court of Queen's Bench of Alberta in connection with the Arrangement were obtained earlier today.

Pursuant to the Arrangement, the previous shareholders of Orion received an aggregate of 22,527,938 common shares of WestFire ("**WestFire Shares**") and an aggregate of 15,613,689 non-listed, non-voting convertible shares ("**WestFire Non-Voting Shares**"), which may be converted into WestFire Shares on a one for one basis in certain circumstances. Substantially all of the WestFire Non-Voting Shares are held by Sprott Resource Corp. ("**SRC**") which also owns approximately 19.5% of the WestFire Shares.

In connection with the closing of the Arrangement, WestFire is also pleased to announce that Mr. Roger Thomas, a former director of Orion, has been appointed to WestFire's board of directors.

WESTFIRE POST ARRANGEMENT

Pro Forma Market Capitalization ⁽¹⁾	\$568 million
Pro Forma Shares Outstanding ⁽²⁾	83 million
Pro Forma Net Debt ⁽³⁾	\$56 million
Pro Forma Enterprise Value	\$624 million
Pro Forma Estimated Production at Closing	9,000 boe/d (60% oil and liquids)
Pro Forma P+P Reserves ⁽⁴⁾	37.2 MMboe

Notes:

- (1) The market capitalization is calculated based on the June 30, 2011 WestFire share price of \$6.85 and pro forma share capital.
- (2) Based on 67.4 million WestFire Shares and 15.6 million WestFire Non-Voting Shares at closing.

- (3) Net debt as at March 31, 2011 for WestFire and Orion (including transaction costs).
- (4) Reserves evaluated by GLJ Petroleum Consultants as at December 31, 2010, mechanically updated to March 31, 2011 for both WestFire and Orion.

The Arrangement with Orion is transformational for WestFire as it significantly enhances and accelerates WestFire's ability to develop its Viking light oil resource play at Redwater and Provost in Alberta and at Dodsland and Plato in west central Saskatchewan. Orion adds an important attribute of long-life, low-decline, liquids-rich natural gas and light oil production that provides a strong strategic fit at Redwater and significant free cash flow to deploy toward WestFire's large drilling inventory.

ADVISORS

Cormark Securities Inc. acted as exclusive financial advisor to WestFire with respect to the Arrangement. Scotia Waterous Inc. was retained by WestFire to provide a fairness opinion in connection with the Arrangement and Desjardins Securities Inc., Macquarie Capital Markets Canada Ltd. and Raymond James Ltd. acted as strategic advisors to WestFire with respect to the Arrangement.

FirstEnergy Capital Corp. acted as exclusive financial advisor to Orion with respect of the Arrangement and provided a fairness opinion in connection with the Arrangement.

CREDIT FACILITY

WestFire also announces that it has secured an increase of \$158 million on its credit facility. WestFire's existing credit facility will be replaced with a new syndicated credit facility and an operating facility in an aggregate principal amount of \$200 million (together the "**Credit Facilities**").

The syndication of the Credit Facilities was co-led by ATB Financial ("**ATB**") and Canadian Imperial Bank of Commerce ("**CIBC**") and includes The Toronto Dominion Bank ("**TD**"), The Bank of Nova Scotia ("**BNS**"), and BNP Paribas (Canada) ("**BNP**"). The new Credit Facilities are comprised of a \$190 million committed syndicated credit facility and a \$10 million committed operating facility. Both are revolving facilities with term-out provisions with the initial revolving period ending June 28, 2012. If the Credit Facilities are not renewed they will convert to 365-day term loans. The Credit Facilities will bear interest at the prime rate, bankers' acceptance rate or LIBOR plus a spread determined by WestFire's debt-to-EBITDA ratio. The proceeds of the Credit Facilities may be used for general corporate purposes, including working capital and acquisitions.

"We are very pleased to have executed a significant increase in our Credit Facilities. The confidence and support shown by ATB, CIBC, TD, BNS, and BNP is a testament to the progress we have made thus far and we look forward to strengthening our relationship with our new partners," said Lowell Jackson, President and Chief Executive Officer of WestFire. "These Credit Facilities, combined with our free funds flow from operations, ensure that we have the financial capability required to support the acceleration of our large drilling inventory."

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*The Toronto Stock Exchange has neither approved nor disapproved
the information contained herein.*

READER ADVISORY

Non-GAAP Measures

The above information includes non-GAAP measures not defined under generally accepted accounting principles ("GAAP"), including net debt. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Net Debt is current liabilities less current assets, excluding the current portion of future tax assets.

Forward-looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the use of proceeds of funds drawn under the Credit Facilities; the financial capability required to accelerate WestFire's drilling inventory; WestFire's petroleum and natural gas production and reserves; business strategy; future development and growth opportunities; prospects; asset base; and anticipated benefits from the Arrangement. The forward-looking statements and information are based on certain key expectations and assumptions made by WestFire, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the timing of receipt of regulatory and securityholder approvals, the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although WestFire believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because WestFire can give no assurances that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent with the completion of the Arrangement, including failure to realize anticipated synergies or cost savings; risks regarding the integration of the two entities; and incorrect assessments of the values of the other entity.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect WestFire's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or WestFire's website (www.westfireenergy.com).

The forward-looking statements and information contained in this press release are made as of the date hereof and WestFire undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

Boe Equivalent

Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. 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.