



PRESS RELEASE
WESTFIRE ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2011 AND SENIOR EXECUTIVE
APPOINTMENTS

CALGARY, Alberta, (November 10, 2011) WestFire Energy Ltd. ("**WestFire**" or the "**Company**") (TSX:WFE) is pleased to announce record financial and operating results, for the three and nine month period ended September 30, 2011 and several key executive appointments.

WestFire closed its strategic merger with Orion Oil and Gas Corporation ("**Orion**") effective June 30, 2011, which doubled the size of the Company. Consequently, the three months ended September 30, 2011 represent the first reporting period where results of the combined entity are presented. Since the merger was funded by issuing WestFire shares, comparative financial and operating results on a per share basis are of particular significance.

Highlights

- Completed its most active quarter in history by drilling 53 (47.7 net) wells with a 100 percent success rate.
- Production for the quarter reached 8,460 barrels of oil equivalent per day ("**boepd**") or 37 percent higher on a per share basis than in the second quarter of 2011. For the nine month reporting period, production was 32 percent per share higher than in the previous year.
- Production from the Viking resource play accounted for 2,397 boepd of the third quarter total compared to 993 boepd in January, 2011 as results from recent drilling exceeded expectations.
- Funds flow from operations for the third quarter grew to \$27.4 million (\$0.33 per share). This was 38 percent higher on a per share basis than in the preceding quarter. For the nine month reporting period, the year-over-year increase was 114 percent per share.
- Net income for the third quarter was \$11.4 million (\$0.14 per share). On a per share basis net income was 40 percent higher than in the previous quarter and for the nine month reporting period five times that of the previous year.
- Net debt at September 30, 2011 was \$88 million. With a bank line of \$200 million, this leaves \$112 million in borrowing capacity.

Executive Appointments

WestFire is also pleased to announce a strengthening of its executive team commensurate with the expanded operations of the Company.

- Ed Chwyl will assume the role of Executive Chairman effective November 15, 2011. Mr. Chwyl has been Chairman of the Board since our inception.
- Cam King will join the Company on November 21, 2011 in the newly created position of Vice President Operations. He brings 24 years of experience in production and operations and was most recently a senior manager with a major producing company.
- Jeff Holmgren will join the Company on December 5, 2011 as our Vice President Finance and Chief Financial Officer, replacing Steve Burt who is retiring in December 2011. Jeff is a Chartered Accountant with over 12 years of oil and gas experience, most recently as a senior manager with a major accounting firm.

These additions will complement our current executives led by Lowell Jackson, President and Chief Executive Officer, and include Frank Muller, Senior Vice President Exploration, Darrin Drall, Vice President Engineering and Chris Bennett, Vice President Land.

Financial Results

In addition to the “Financial and Operating Highlights” table below, the consolidated financial statements and related management’s discussion and analysis (MD&A) for the period ended September 30, 2011 will be available on the Company’s website and the SEDAR website.

Financial Results (\$ thousands except share and production information)	Three Months Ended			Nine Months Ended	
	Sept 30, 2011	June 30, 2011	Sept 30, 2010	Sept 30, 2011	Sept 30, 2010
Oil and gas revenues	51,568	21,377	9,957	86,630	30,065
Cash provided by operating activities	47,251	4,242	13,055	58,039	24,293
Funds flow from operations ⁽¹⁾	27,448	10,641	4,017	44,770	13,831
Per share – basic and diluted ⁽¹⁾	0.33	0.24	0.10	0.79	0.37
Net income	11,427	4,387	(861)	13,945	3,672
Per share – basic and diluted	0.14	0.10	(0.02)	0.25	0.05
Bank Debt	68,300	52,800	7,960	68,300	7,960
Working capital deficiency ⁽²⁾	19,730	5,404	13,841	19,730	13,841
Net debt ⁽¹⁾⁽³⁾	88,030	58,204	21,801	88,030	21,801
Exploration & development expenditures	59,361	20,543	24,632	107,443	54,702
Corporate acquisitions	(2,362)	353,773	-	351,411	7,186
Common and convertible non-voting shares (thousands) ⁽⁴⁾					
Outstanding – basic	82,969	82,869	39,040	82,969	39,040
Outstanding – diluted	83,315	83,534	39,200	83,502	39,200
Weighted average– basic	82,969	44,822	39,036	56,460	37,009
Weighted average– diluted	83,515	45,388	39,130	56,993	37,167
Sales Volumes					
Oil and NGL (bbls per day)	5,499	2,243	1,214	3,153	1,103
Natural gas (Mcf per day)	17,766	6,392	7,336	10,287	7,875
Barrels of oil equivalent (boe per day) ⁽⁵⁾	8,460	3,308	2,437	4,868	2,415
Average selling prices ⁽⁶⁾					
Oil and NGL (\$/bbl)	86.12	92.99	66.21	85.80	67.99
Natural gas (\$/Mcf)	3.95	4.12	3.80	4.00	4.46
Total (\$/boe)	66.26	71.01	44.42	65.18	45.59
Netback (\$/boe)					
Revenue	66.26	71.01	44.42	65.18	45.59
Realized derivative gains (losses)	0.53	(0.46)	3.59	0.40	2.47
Royalties	(10.21)	(5.24)	(5.28)	(8.21)	(4.87)
Operating expenses	(16.57)	(13.89)	(21.27)	(16.12)	(17.48)
Transportation expenses	(1.30)	(1.15)	(0.99)	(1.23)	(1.11)
Netback ⁽¹⁾	38.71	50.27	20.47	40.02	24.60

(1) Non-GAAP (generally accepted accounting principles) measure. See “Non-GAAP Measurements” in WestFire’s MD&A.

(2) Working capital deficiency does not include the current portion of the risk management contracts or the current portion of bank debt.

(3) Net debt includes bank indebtedness and working capital deficiency.

(4) Includes 22,527,938 voting and 15,613,689 convertible non-voting shares issued pursuant to the merger with Orion on June 30, 2011.

(5) Six thousand cubic feet of natural gas is equivalent to one barrel of oil.

(6) The average selling prices reported are before realized derivatives gains (losses) and transportation

Operational Review

WestFire was one of the most active industry drillers during the third quarter of 2011 as it accelerated the development of its extensive land holdings on the Viking light oil resource play in Alberta and Saskatchewan. This expanded program was funded by the higher free cash flow and increased bank line as a result of the merger with Orion.

Of the 53 (47.7 net) wells drilled in the third quarter, all of which were successful, 43 (35.0 net) were Viking horizontal oil wells. A total of 17 (16.0 net) wells were drilled at Redwater while six (6.0 net) were at Provost and 20 (13.0 net) were in west central Saskatchewan. In west central Saskatchewan, 14 (7.0 net) wells were drilled pursuant to a farm-out where a joint venture partner paid all the costs while WestFire retained 50 percent in the lands and production.

In addition to its Viking horizontal drilling program, the Company drilled two (1.8 net) Beaverhill Lake liquids-rich natural gas wells at Kaybob South, three (3.0 net) vertical heavy oil wells at Lloydminster and five (5.0 net) Viking vertical wells to delineate future horizontal drilling potential.

Third quarter production from the Viking has exceeded expectations. Current field-reported Viking production is 3,352 boepd which represents 38 percent of total production. By comparison, Viking production in January, 2011 was 993 boepd representing 32 percent of the Company total. The latest four wells at Redwater have initial rates averaging 125 boepd with decline rates that are lower than both internal and independent engineering type curves. The five most recent wells at Provost initially came on at 45 boepd at restricted rates while 11 wells at west central Saskatchewan averaged 40 (20.0 net) boepd initial production. A further 12 (11.0 net) Viking oil wells drilled in third quarter are waiting to be placed on production.

Since embarking on the Viking light oil resource play three years ago, WestFire has been successful in improving well productivity while reducing completed well costs without compromising operational integrity. Full-cycle well costs, including equip and tie-in, have averaged \$1.15 million at Redwater and \$0.85 million at west central Saskatchewan, which is a reduction from earlier costs even as service costs during this period have escalated.

Orion Update

During the quarter, the Kaybob South area experienced intermittent production outages caused by forest fires and flooding due to heavy rains. After these curtailments several of the wells did not come back on production at previous rates. As a result, production for the quarter from this area was approximately 500 boepd lower than expected.

WestFire has embarked on a complete technical review of the property including geosciences, engineering and production operations. We utilized this approach successfully in the Viking resource play and will use the same process at Kaybob South. New technologies to optimize and expedite recovery from this large, liquids-rich natural gas reservoir will also be investigated.

At Redwater, the Ellerslie/Viking light oil production acquired with the Orion transaction has exceeded forecast during the quarter with minimal operational activities or expenditures. During 2012, the Company's Viking horizontal development plans will include locations identified on the Orion acreage.

Outlook

WestFire currently has two drilling rigs operating in the Redwater area. It is expected that these two rigs will drill a total of 10 (10.0 net) wells during the fourth quarter, with several of these wells not contributing to production until early 2012.

The Company estimates that fourth quarter 2011 production will average 8,750 boepd (67 percent oil) resulting in an annual production rate of 5,956 for 2011. This represents year-over-year production growth of 137 percent, or 39 percent on a per share basis. Once an oil battery expansion is completed at Redwater, the Company expects its exit rate to exceed 9,000 boepd.

Guidance for 2012 will be provided after the Board approves a capital budget in mid-December.

Steve Burt will be retiring as the Company's Vice President Finance and Chief Financial Officer in December 2011 after four years of dedicated service in that position. Mr. Burt was a key contributor to the growth of WestFire and an exceptional steward of the Company's finances. The Board of Directors, along with all WestFire employees, wishes him well in his retirement.

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

Cautionary Statements

Forward-looking information and statements

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following; the timing for completion and equipping of wells; the volume and product mix of WestFire's oil and gas production; the ability to develop the Company's Viking light oil resource play, benefits from employing modern reservoir techniques in the Kaybob South Beaverhill Lake pool, the use of the Company's cash flow from operations; future production guidance and growth, per share growth, the number of wells to be drilled and potential development drilling and number of potential horizontal Viking oil development locations.

In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of WestFire which have been used to develop such statements and information but which may prove to be incorrect. Although WestFire believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because WestFire can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: results from drilling and development activities consistent with past operations; the continued and timely development of infrastructure in areas of new production; continued availability of debt and equity financing and cash flow to fund WestFire's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which WestFire operates; the timely receipt of any required regulatory approvals; the ability of WestFire to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which WestFire has an interest in to operate the field in a safe, efficient and effective manner; the ability of WestFire to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of WestFire to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which WestFire operates; the ability of WestFire to successfully market its oil and natural gas products that all necessary regulatory approvals will be obtained as and when required, that there will be no

material adverse change in the Company's affairs or laws, rules or regulations relating to the Company, its securities or business, there will be no regulatory proceedings involving the Company or any of its directors or officers, or any cease trade or other order prohibiting or restricting trading in the Company's securities and no major national or international event will have occurred that has or would reasonably be expected to have a material adverse effect on financial markets or the business, operations or affairs of the Company.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statement, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of WestFire's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of WestFire or by third party operators of WestFire's properties, increased debt levels or debt service requirements; inaccurate estimation of WestFire's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in WestFire's public disclosure documents, (including, without limitation, those risks identified in this news release and WestFire's Annual Information Form filed on SEDAR).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and WestFire does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

BOE Equivalent

Barrel of oil equivalents or BOEs 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.