



PRESS RELEASE

WESTFIRE UPDATES OPERATING RESULTS FOR THREE MONTHS ENDED SEPTEMBER 30, 2011

CALGARY, Alberta, (October 26, 2011) WestFire Energy Ltd. ("**WestFire**" or the "**Company**") (TSX:WFE) is pleased to provide an operational update on its third quarter 2011 activities.

Drilling

The three months since acquiring Orion Oil and Gas Corporation ("**Orion**") effective June 30, 2011 have been the most active for WestFire in its history. The Company continues to be one of the most active drillers in Alberta during the first nine months of 2011 ranking in the top twenty as identified in the Daily Oil Bulletin. A total of 53 (44.8 net) development wells were drilled consisting of 50 (42.0 net) oil wells and three (2.8 net) gas wells for a 100 percent success rate. The majority of the wells, or 43 (35.0 net) horizontal oil wells, targeted the Viking light oil resource play. Seventeen (16.0 net) wells were drilled at Redwater while six (6.0 net) were drilled at Provost and 20 (13.0 net) wells were drilled in west central Saskatchewan. Of the wells drilled in west central Saskatchewan 14 (7.0 net) were drilled by a joint venture partner at no cost to WestFire.

In addition to its Viking horizontal drilling program, WestFire 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.

Drilling activities ceased at the end of the third quarter. Two drilling rigs will resume operations on the Viking play at Redwater in November and will continue drilling into 2012.

Viking Oil Resource Play

Production during the third quarter from the Viking drilling program has exceeded expectations. In January 2011, total Viking production averaged approximately 1,000 barrels of oil equivalent per day ("**boepd**") which represented 32 percent of total Company production. Currently, field-reported Viking production is over 3,300 boepd and accounts for 38 percent of WestFire's total production.

At Redwater, the latest four horizontal Viking oil wells placed on production have initial average rates of approximately 125 boepd with decline rates that are lower than both internal and independent engineering type curves. Meanwhile, the initial average rate of the five most recent horizontal Viking oil wells at Provost is approximately 45 boepd at restricted rates. And at west central Saskatchewan, the initial average rate is 40 gross (20 net) boepd from 11 horizontal Viking oil wells.

Robust production growth, in combination with improved initial rates exhibiting less decline, confirms WestFire's belief that its extensive prospective land holdings on the Viking play will underpin future corporate growth.

Kaybob South

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. Two (1.8 net) gas wells were drilled that did not meet expectations. As a result, the production over the quarter was off by approximately 500 boepd.

WestFire has embarked on a complete technical overhaul of the property including geosciences, engineering and production operations. The Company has utilized this approach successfully in the Viking and will implement the same process at Kaybob South. New technologies will be investigated to optimize and expedite the recovery of the liquids-rich natural gas reserves.

As further technical understanding is gained on this complex reservoir, the Company plans to redirect capital previously allocated to Kaybob South towards continued drilling on the Viking light oil resource play.

Production

The oil weighting of the Company has continued to grow from 60 percent in January to its current 68 percent. This increase is significant given the higher gas weighting of the Company resulting from the Orion acquisition. Overall production for the third quarter of 2011 is estimated to be 8,550 boepd prior to an adjustment for an over-accrual on second quarter Orion volumes. When the over-accrual is accounted for, the reported volumes are estimated to be 8,450 boepd.

WestFire expects to release unaudited financial and operating results on November 10 at which time production guidance will be updated.

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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 and expanded credit facilities; 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, 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.