



PRESS RELEASE

WestFire Energy Ltd. Announces Second Half 2011 Capital Budget and Guidance

Calgary, Alberta, July 6, 2011 - WestFire Energy Ltd. ("WestFire") (TSX: WFE) is pleased to announce a second half 2011 capital budget of \$85 million resulting in a full year capital program of \$133 million and updated production guidance.

As a result of the continued success of WestFire's Viking light oil resource play and the closing of the Orion Oil & Gas transaction, WestFire is planning for a second half 2011 exploration and development capital budget of \$85 million. WestFire expects to drill 59 gross (48.2 net) wells including 53 gross (42.5 net) Viking horizontal light oil wells in the second half of 2011. This capital program will be funded by a combination of cash flow generated from its expanded asset base and its recently expanding credit facility. Upon closing of the Orion merger, WestFire's credit facility has been increased to \$200 million from \$42 million, with only \$53 million currently drawn.

WestFire's current production, based on field estimates, is approximately of 9,000 barrels of oil equivalent per day (boe/d) (65% oil and liquids). With the Orion merger and second half capital program, the company's production guidance for the second half is 9,750 boe/d (65% oil and liquids) yielding 6450 boepd for the year and a 2011 exit rate of 10,500 boe/d (70% oil and liquids). This exit rate represents a per share increase in production of 72% over that of one year ago. Year end closing net debt is expected to be approximately \$92 million, based on this production guidance and current commodity price strips, with debt to second half 2011 annualized cash flow ratio of 0.7. WestFire's go forward operational model is to fund its exploration and development capital spending via cash flow from operations beginning in 2012.

"The transaction with Orion was transformational," said Lowell Jackson, president and chief executive officer of WestFire. "The company is now uniquely positioned as an intermediate oil resource focused company with the free funds flow from operations and expanded credit facilities that allow us to accelerate our large Viking drilling inventory at Redwater and Provost in Alberta and at Doddsland and Plato in west central Saskatchewan."

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

EADER 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 second half 2011 exploration and development capital budget and production guidance; the number of wells to be drilled in the second half of 2011; funding of the exploration and development budget; year end closing net debt amounts and annualized cash flow ratio; 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.

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.

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