



## **WestFire Energy Ltd. Announces \$40 Million Bought Deal Financing, Expanded Capital Program and Upward Revisions to 2011 Guidance**

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WestFire Energy Ltd. ("**WestFire**" or the "**Company**") (TSX:WFE) is pleased to announce a \$40 million bought deal financing, increased 2011 capital program and upward revisions to its 2011 guidance.

### **Bought Deal Financing**

WestFire has entered into an agreement with a syndicate of underwriters led by Raymond James Ltd. and including Scotia Capital Inc., Macquarie Capital Markets Canada Ltd., CIBC World Markets Inc., GMP Securities L.P., Casimir Capital L.P., Desjardins Securities Inc., Jennings Capital Inc. and Stifel Nicolaus Canada Inc. (collectively, the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase on a bought deal basis 4,420,000 common shares of the Company (the "**Common Shares**") at an issue price of \$9.05 per Common Share, for aggregate gross proceeds of approximately \$40 million ("**Offering**"). The net proceeds of the Offering will be used to accelerate WestFire's 2011 capital program and for general corporate purposes.

The WestFire Shares to be issued under the offering will be offered by way of a short form prospectus to be filed in Alberta, British Columbia, Saskatchewan and Ontario and in the United States on a private placement basis pursuant to exemptions from the registration and prospectus requirements of the United States Securities Act of 1933.

Closing of the offering, which is subject to customary conditions and regulatory approvals, including approval of the Toronto Stock Exchange, is expected on or about March 9, 2011.

### **Increased Capital Program and Upward Revision to 2011 Guidance**

Based on its successful ongoing drilling program and an extensive internal review of its Viking light oil land base of 247 net undeveloped sections, WestFire has increased its 2011 capital budget to \$90.0 million from \$55.0 million as previously announced on January 17, 2011. This increased spending will be focused on accelerating the development of WestFire's large inventory of Viking light oil projects at Redwater and Provost, Alberta and west central Saskatchewan. As a result, 2011 average production has been revised to 4,000 boe/d (from 3,750 boe/d). The 2011 exit production is being revised to 5,000 boe/d (from 4,200 boe/d), weighted approximately 75% to oil.

It is anticipated that approximately 80% of the 2011 budget will be allocated to the drilling of 61 gross (60.1 net) wells, an increase of 24 gross (23.1 net) wells as compared to previous guidance. The Company is now expecting to drill 46 gross (45.1 net) horizontal wells on the Viking light oil resource play with 35 gross (35.0 net) wells targeting Redwater, Alberta. WestFire also anticipates drilling 15 gross (15.0 net) wells in its Lloydminster heavy oil core area.

WestFire's common shares trade on the Toronto Stock Exchange under the symbol "WFE".

**This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.**

#### 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 volume and product mix of WestFire's oil and gas production; 2011 production guidance; potential development drilling, the anticipated timing for closing of the Offering; as well as the use of the net proceeds of the Offering.*

*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 and that at all material times the Company will be in compliance with its obligations under the underwriting agreement.*

*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 defer 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, unfavourable 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 [www.sedar.com](http://www.sedar.com).*

*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.*

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

#### **For more information, please contact**

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