

## INFORMATION RETURN – STOCK ISSUANCE

This Information Return is being reported to the Internal Revenue Service and to holders of record of WestFire Energy Ltd. common shares pursuant to Internal Revenue Code Section 6045B and Treasury Regulations Section 1.6045B-1.

**IRS CIRCULAR 230 NOTICE:** Any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (a) avoiding penalties under the Internal Revenue Code or (b) promoting, marketing or recommending to another party any transaction or matter addressed herein.

- (1) **Today's Date:** March 17, 2011
- (2) **Issuer of securities:** WestFire Energy Ltd.
- (3) **Issuer's Taxpayer Identification Number or EIN:**
- (4) **Security identifiers:**
- |                               |              |
|-------------------------------|--------------|
| (i) <b>CUSIP:</b>             | 960254100    |
| (ii) <b>Type of Security:</b> | Common stock |
| (iii) <b>Ticker symbol:</b>   | TSX:WFE      |
| (iv) <b>Account number:</b>   | 0001493869   |
| (v) <b>Serial number:</b>     | N/A          |

- (5) **Description of the class of securities.**

Common stock.

- (6) **Contact information for a person at the issuer.**

Name: Stephen Burt  
Address: 810, 555 4<sup>th</sup> Ave SW, Calgary, Alberta T2P 3E7  
Telephone: 403-718-3603  
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- (7) **Date of Corporate Action:** March 1, 2011

- (8) **Description of the corporate action.**

On March 1, 2011, WestFire Energy Ltd., a corporation organized under the laws of the Province of Alberta, Canada (the "Company") issued common stock (the "Stock") to various purchasers, as described in the Final Short Form Prospectus, dated March 1, 2011 (the "Issuance"), pursuant to which Stock was issued to U.S. purchasers under the U.S. Placement Memorandum, dated March 1, 2011.

Each U.S. shareholder should consult its own tax advisor to determine the effect of the Issuance on the basis of its Company Stock. The information reported in this information return is not binding on the Internal Revenue Service (the “IRS”) or the U.S. courts, and no assurance can be provided that the conclusions reached in this summary will not be challenged by the IRS or will be sustained by a U.S. court if so challenged.

**(9) Description of the quantitative effect on basis of affected security.**

A U.S. holder of Company Stock will have a cost basis in each share of Stock equal to the price per share in U.S. dollars given below or, if different, the amount which such U.S. holder paid for such share of Stock. See Internal Revenue Code Section 1012.

<b>Date of Issuance</b>	<b>Price in CD\$</b>	<b>Spot Exchange Rate on Date of Issuance</b>	<b>Price in US\$</b>
March 9, 2011	\$9.05	1.0324	\$9.34

The spot exchange rate is as reported by the Bank of Canada on the date of the Issuance.

**(10) Supporting Documentation.**

All information pertinent to the Issuance can be found on [www.SEDAR.com](http://www.SEDAR.com).

Final Short Form Prospectus, dated March 1, 2011