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[Pine Cliff Energy Ltd.](#) ("Pine Cliff" or the "Company") (TSX VENTURE:PNE) is pleased to announce its first quarter financial and operating results. Included in the filings were Pine Cliff's condensed consolidated interim financial statements and related management's discussion and analysis for the period ended March 31, 2015 (the "Q1-Report"). Selected highlights are shown below and should be read in conjunction with the Q1-Report.

Despite the first quarter of 2015 being a volatile three months for commodity prices, Pine Cliff continued to execute on its business plan. Highlights during the quarter are as follows:

- Maintained average daily sales volumes of 12,021 barrels of oil equivalent ("Boe") per day as compared to 12,095 boe per day in the fourth quarter of 2014;
- Repaid \$8.5 million in bank debt during the quarter, despite the low commodity price environment, exiting the quarter with net debt of \$31.3 million; and
- Generated funds flow from operations of \$6.2 million (\$0.03 per basic share), a decrease of 47% as compared to the fourth quarter of 2014, mainly a result of a lower commodity price environment.

The dramatic decline in commodity prices that began in 2014 has challenged producers and left many with few options to strengthen their balance sheets as cash flows have dropped. Pine Cliff was built to capitalize on the opportunities we are now analyzing and we were very pleased to announce a \$15.94 million acquisition in April. The assets purchased are contiguous with Pine Cliff's current asset base, adding approximately 585 boe per day of production and drilling inventory to Pine Cliff's Carrot Creek / Edson core area and 445 boe per day of production to Pine Cliff's Southern core area. Pine Cliff anticipates this acquisition will close on or around May 30, 2015. These assets were purchased for approximately \$15,500 per flowing boe per day and \$3.32 per boe on a proved plus probable reserve basis.

Pine Cliff is currently producing approximately 11,900 boe per day (week of April 20-26<sup>th</sup>). Pine Cliff currently maintains its 2015 production guidance of 11,300 to 11,800 boe per day and expects to increase its production guidance upon closing of the May 30, 2015 acquisition but we do not anticipate amending our annual capital expenditure guidance of \$10 million at that time. Even at current forward strip prices, the funds flow generated by Pine Cliff's assets will be significantly in excess of its capital expenditures allowing Pine Cliff to further reduce the amount drawn on its credit facility.

## Financial and Operating Results

(\$000s, unless otherwise indicated)	Three months ended March 31	
	2015	2014
Oil and gas sales	18,801	18,376
Cash flow from operating activities	8,998	10,039
Funds flow from operations <sup>1</sup>	6,182	10,089
Basic per share (\$/share)	0.03	0.05
Diluted per share (\$/share)	0.03	0.05
Earnings (loss)	(5,503)	) 2,969
Basic per share (\$/share)	(0.02)	) 0.01
Diluted per share (\$/share)	(0.02)	) 0.01
Capital expenditures, excluding acquisitions	2,886	1,120
Net debt <sup>2</sup>	31,279	23,512
Production (Boe/d)	12,021	6,276
Percent natural gas (%)	95	96
Commodity sales price (\$/Boe)	17.38	32.53
Operating netback (\$/Boe) <sup>3</sup>	7.33	19.82
Corporate netback (\$/Boe) <sup>4</sup>	5.72	17.86

<sup>1</sup> Funds flow from operations is a non-IFRS measure that represents the total of funds provided by operating activities, before adjusting for changes in non-cash working capital.

<sup>2</sup> Net debt is a non-IFRS measure calculated as sum of bank debt and trade and other payables less trade and other receivables, cash, prepaid expenses and deposits and liquid investments.

<sup>3</sup> Operating netback is a non-IFRS measure calculated as the Company's oil and gas sales, less royalties and operating expenses, averaged over the Boe production of the Company.

<sup>4</sup> Corporate netback is a non-IFRS measure calculated as the Company's operating netback less general and administrative expenses, interest and bank charges plus finance and dividend income, averaged over the Boe production of the Company.

Further information relating to Pine Cliff, including the Q1-Report, may be found on [www.sedar.com](http://www.sedar.com) as well as on Pine Cliff's website at [www.pinecliffenergy.com/](http://www.pinecliffenergy.com/). To request a hard copy, free of charge, please send an email request to [info@pinecliffenergy.com](mailto:info@pinecliffenergy.com).

## Cautionary Statements

Certain statements contained in this release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this release includes, but is not limited to: expected production levels; imprecision of reserve estimates; closing date and completion of the previously announced acquisition in April 2015; amounts drawn on Pine Cliff's credit facility and repayment thereof; future capital expenditures, including the amount, nature and funding thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and natural gas industry; business strategy and outlook; expansion and growth of our business and operations; maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

As defined in NI 51-101, proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The forward-looking information contained in this release is expressly qualified by this cautionary statement.

This news release contains the term Boe which has been calculated on the basis of six thousand cubic feet of gas to one barrel of oil. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The term Boe may be misleading, particularly if used in isolation.

This summarized news release should not be considered a suitable source of information for readers who are unfamiliar with Pine Cliff and should not be considered in any way as a substitute for reading the full report.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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