CALGARY, ALBERTA--(Marketwired - May 11, 2016) -

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Pine Cliff Energy Ltd. ("Pine Cliff" or the "Company") (TSX: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, 2016 (the "Q1-Report"). Selected highlights are shown below and should be read in conjunction with the Q1-Report.

Pine Cliff is pleased to report the first reporting period that reflects the assets purchased in December 2015, the Company's largest acquisition to date. Pine Cliff reports that this quarter it:

- Increased production by 94% to 23,297 Boe/d (92% gas) from 12,021 Boe/d (95% gas) in the first quarter of 2015, representing a 49% increase on a basic per share basis;
- Attained funds flow from operations of $1.4 million, despite a realized natural gas price of $1.94 per Mcf, which was 30% lower than the realized natural gas price in the first quarter of 2015;
- Continued to be one of the lowest cost operators in the industry, reporting operating costs of $9.50 per Boe and G&A of $1.27 per Boe; and
- Began trading on the Toronto Stock Exchange on March 3, 2016 under the symbol PNE-T.

Increased Focus on Cost Cutting

The first quarter of 2016 continued to be an extremely difficult time in the oil and gas industry. As commodities prices continued to drop, companies became more cash constrained and access to capital remained restricted. Pine Cliff has always prided itself in being a low cost operator and the Company has always been managed with a disciplined approach in order to maximize shareholder value. Nothing has changed on those fronts. In the first quarter Pine Cliff took further measures to reduce or eliminate discretionary spending in order to maximize cash flow while continuing to operate the assets to the same standards that it always has. These steps included: deferral of non-essential field maintenance; shut-in of over 300 Boe/d of uneconomic production; continuing to minimize G&A; and although the production of the Company nearly doubled, Pine Cliff only hired eight additional full time office staff and consultants to increase full time head office staff to 31.

Outlook

This past winter was one of the warmest winters in North American history. As the annual storage injection season started with record high storage levels, downward pressure on natural gas price continues and is likely to continue through the summer unless the weather is warmer than normal. When a company is built that continually looks at a landscape with a five year horizon, it can be frustrating when the markets take a short term weekly perspective based on weather forecasts, but that is why Pine Cliff has always been cognizant of the necessity of a balance sheet and asset portfolio with financial flexibility that can sustain turbulent times. Pine Cliff continually evaluates its portfolio of assets to consider various options should they be needed for liquidity, including the sale of non-core investments and assets, infrastructure transactions and financings (debt or equity). All of these options are viable and available to us, but will only be executed if it is prudent to do so with all impacts considered. Every decision that Pine Cliff management has ever made, or will make in the future, is motivated by long-term shareholder value creation.

Although the months ahead may continue to be difficult, nothing has changed in the Company's view on the long term outlook of natural gas prices. Pine Cliff remains confident that natural gas prices will need to return to a level that will motivate economic drilling to meet growing demand. North American natural gas production is now dropping as a result of declining production and reduced drilling activity. At the same time, natural gas demand is continuing to increase with coal to gas shifting, industrial demand growth and LNG and Mexican exports increasing. With a corporate break-even point of less than $1.90 per mcf (excluding capital expenditures) and one of the highest sensitivities to natural gas prices in the industry, it will not take much of a natural gas price recovery for Pine Cliff to begin to prosper again. Using annualized first quarter 2016 numbers and AECO pricing of $2.50 per Mcf, Pine Cliff's annual funds flow from operations would be approximately $30 million and at $3.00 per Mcf AECO, this number grows to approximately $51 million or $0.17 per share.

Financial and Operating Results [1]

	Three months ended March 31	
($000s, unless otherwise indicated)	2016	2015
Oil and gas sales (before royalties)	27,230	18,801
Cash flow from operating activities	9,622	8,998
Funds flow from operations [2]	1,398	6,182
Per share - Basic and Diluted ($/share)	0.00	0.03
Loss	(16,177)	(5,503)

Per share - Basic and Diluted ($/share)	(0.05)	(0.02)
Capital expenditures, excluding acquisitions	3,617	2,886
Acquisitions, after adjustments	585	387
Net debt [3]	143,587	31,279
Production (Boe/d)	23,297	12,021
Percent natural gas (%)	92	95
Combined sales price ($/Boe)	12.84	17.37
Operating netback ($/Boe) [4]	2.68	7.33
Corporate netback ($/Boe) [5]	0.66	5.72

[1] Includes results from acquisitions from the closing dates

[2] 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.

[3] Net debt is a non-IFRS measure calculated as the sum of bank debt and trade and other payables less trade and other receivables, cash, prepaid expenses and deposits and investments.

[4] 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.

[5] 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.

About Pine Cliff

Pine Cliff is a natural gas company with a long-term view of creating shareholder value. Pine Cliff's current focus is on acquiring long life assets that are cash flow positive in a low commodity price environment. Further information relating to Pine Cliff, including the Q1 Report, may be found on www.sedar.com as well as on Pine Cliff's website at www.pinecliffenergy.com. To request a hard copy, free of charge, please send an email to 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 Pine Cliff management derived from experience and perceptions. Forward-looking information in this release includes, but is not limited to: expected production levels; oil and natural gas prices and supply 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; break-even point; future cash flow; annualized first quarter 2016 cash flow at $2.50 per Mcf and $3.00 per Mcf AECO; weather and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be 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 Pine Cliff; and other factors, many of which are beyond the Company's 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.

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.

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