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[Pine Cliff Energy Ltd.](#) ("Pine Cliff" or the "Company") (TSX:PNE) is pleased to announce that it has entered into an agreement to sell its fee title land and other minor overriding royalty interests (the "Royalty Assets" or the "Disposed Assets") for cash consideration of \$25 million, prior to any closing adjustments (the "Disposition"). The Disposition will have an effective date of June 1, 2016 and is expected to close on or around June 30, 2016. The agreement related to the Disposition is subject to various standard conditions, including the approval of the Company's banking syndicate.

The Disposed Assets include 99,930 net fee title acres that were acquired in December 2015. At current pricing levels, for the 12 months following the effective date, the Disposed Assets would have generated approximately \$1.5 million in royalty revenue from third parties and approximately \$1.2 million from royalties to be paid on Pine Cliff leased lands which results in a total loss of funds flow of \$2.7 million, before reduced interest payments. The Company also recently sold its investments in public companies for net proceeds of \$5.5 million.

The proceeds from the Disposition will be used to pay down bank indebtedness resulting in a permanent reduction to the Company's borrowing facility. Pine Cliff continues to work with its banking syndicate of Canadian financial institutions on its borrowing base redetermination.

About Pine Cliff

Pine Cliff is a natural gas company with a long-term view of creating shareholder value. Further information relating to Pine Cliff may be found on www.sedar.com as well as on Pine Cliff's website at www.pinecliffenergy.com.

Cautionary Statements

Certain statements contained in this news 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. In particular, this news release contains statements regarding the operational, economic and financial impacts of the Disposition on Pine Cliff, anticipated use of the net proceeds of the Disposition and the anticipated closing date of the Disposition. The foregoing statements assume all the conditions, including applicable regulatory approvals and banking syndicate approval, to completion of the Disposition will be satisfied. There is no assurance that all of the conditions to the Disposition will be met and therefore there is a risk that the Disposition will not be completed in the form described above or at all. In the event the Disposition does not close as presently anticipated, Pine Cliff will not realize the anticipated benefits of the Disposition. As such, many factors could cause the performance or achievement of Pine Cliff to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

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.

Certain information contained herein is based on Pine Cliff internal estimates. Although Pine Cliff believes such information is accurate and reliable, at this time such information has not been verified by any independent sources and Pine Cliff does not make any representations as to the accuracy of such estimates.

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

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