

CALGARY, ALBERTA--(Marketwired - Aug 31, 2017) - [Birchcliff Energy Ltd.](#) ("Birchcliff") (TSX:BIR) announces that it has notified the registered holder of its Cumulative Redeemable Preferred Shares, Series A (the "Series A Shares") of the applicable dividend rates for its Series A Shares and its Cumulative Redeemable Preferred Shares, Series B (the "Series B Shares"). The rates were calculated today in accordance with the terms of the Series A Shares and the Series B Shares.

As previously announced in Birchcliff's press release dated August 14, 2017, Birchcliff does not intend to exercise its right to redeem its Series A Shares on September 30, 2017. As a result, subject to certain conditions, the holders of Series A Shares have the right to choose one of the following options with regard to their Series A Shares:

(i) to retain any or all of their Series A Shares and continue to receive a fixed rate quarterly dividend, as and when declared by the board of directors of Birchcliff; or

(ii) to convert on September 30, 2017, on a one-for-one basis, any or all of their Series A Shares into Series B Shares and receive a floating rate quarterly dividend, as and when declared by the board of directors of Birchcliff.

The dividend rate for the Series A Shares for the five-year period from and including September 30, 2017 to, but excluding, September 30, 2022, will be 8.374%. The dividend rate for the Series B Shares for the three-month floating rate period from and including September 30, 2017 to, but excluding, December 31, 2017, will be 7.572%. The floating quarterly dividend rate for the Series B Shares will be reset every quarter.

Beneficial owners of Series A Shares are reminded that those who wish to exercise their right of conversion should communicate as soon as possible with their broker or other nominee and ensure that they follow their instructions in order to meet the deadline to exercise such right, which is 5:00 p.m. (Toronto time) on September 15, 2017. Any notices received after this deadline will not be valid. As such, it is recommended that this be done well in advance of the deadline in order to provide the broker or other intermediary with time to complete the necessary steps. Holders of Series A Shares who do not exercise the right of conversion by this deadline will continue to hold Series A Shares with the new fixed rate quarterly dividend.

Should a holder of Series A Shares elect to convert their Series A Shares to Series B Shares, given that the conversion date of September 30, 2017 is not a business day, the conversion will be effective on September 30, 2017; however, such holders will not receive their Series B Shares until the next business day, being October 2, 2017.

The foregoing conversion to the Series B Shares is subject to the conditions that:

(i) if Birchcliff determines that there would be less than 250,000 Series A Shares outstanding after September 30, 2017, then all of the remaining Series A Shares will automatically be converted into Series B Shares on a one-for-one basis on September 30, 2017; and

(ii) if Birchcliff determines that there would be less than 250,000 Series B Shares outstanding after September 30, 2017, then no Series A Shares will be converted into Series B Shares.

In either case, Birchcliff will issue a news release to that effect on or before September 22, 2017.

For more information on the terms of, and the risks associated with an investment in, the Series A Shares and the Series B Shares, please see Birchcliff's final short form prospectus dated July 30, 2012, which is available on [sedar.com](#).

#### Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements and information (collectively referred to as "forward-looking information") within the meaning of applicable Canadian securities laws. Such forward-looking information relates to future events or Birchcliff's future performance. All information other than historical fact may be forward-looking information. Such forward-looking information is often, but not always, identified by the use of words such as "seek", "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should" and other similar words and expressions. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Birchcliff believes that the expectations reflected in the forward-looking information are reasonable in the current circumstances but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this press release should not be unduly relied upon. In particular, this press release contains forward-looking information relating to the Series A Shares and the Series B Shares, including, but not limited to, future conversions and dividends.

With respect to forward-looking information contained in this press release, Birchcliff's actual results could differ

materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which Birchcliff operates, prevailing economic conditions and other factors, many of which are beyond the control of Birchcliff. The declaration of dividends in any quarter is subject to the discretion of Birchcliff's board of directors. Pursuant to the *Business Corporations Act* (Alberta), Birchcliff may not declare or pay a dividend if there are reasonable grounds for believing that: (i) Birchcliff is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares.

All forward-looking information reflects Birchcliff's beliefs and assumptions based on information available at the time the statements were made and as such are not guarantees of future performance. The forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements. The forward-looking information contained in this press release is made as of the date of this press release. Birchcliff is not under any duty to update or revise any of the forward-looking information except as expressly required by applicable securities laws.

For additional information on the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to Birchcliff's most recent Annual Information Form and other documents filed with Canadian securities regulatory authorities from time to time.

#### About Birchcliff:

Birchcliff is a Calgary, Alberta based intermediate oil and gas company with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff's Common Shares and Cumulative Redeemable Preferred Shares, Series A and Series C, are listed for trading on the Toronto Stock Exchange under the symbols "BIR", "BIR.PR.A" and "BIR.PR.C", respectively.

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