Cardinal Energy Ltd. Announces Extension of Credit Facility Redetermination Date and Debentureholder Meeting

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CALGARY, May 25, 2020 - Cardinal Energy Ltd. ("Cardinal" or the "Company") (TSX: CJ) has received approval to extend the revolving period under the Company's \$325 million reserves-based credit facility (the "Credit Facility") and intends to call a meeting of the holders of its 5.50% extendible convertible unsecured subordinated debentures due December 31, 2020 (the "Debentures") to amend the Debentures with the addition of an exchange right.

Credit Facility

The Company's \$325 million Credit Facility was available on a revolving basis until May 23, 2020. On May 22, 2020, subject to certain conditions, the Company signed an extension until June 30, 2020 in order for the syndicate to have more time to assess current market conditions and the effect of potential government assistance programs on the Credit Facility. Among others, the conditions include a cap on the drawings available to the Company under the Credit Facility and that no drawings can be used to redeem or repay the Debentures. The Company anticipates that the draw cap and some of the other conditions will only be in place on an interim basis until a longer term extension and terms are finalized.

Debentureholder Meeting

Cardinal intends to seek the approval of holders (the "Debentureholders") of Debentures to make various amendments (the "Amendments") to the indenture (the "Indenture") governing the Debentures with the addition of an exchange right (the "Exchange Right"). The Exchange Right will provide Debentureholders the right, but not the obligation, to exchange their Debentures for a new second series of 8.00% convertible unsecured subordinated debentures (the "Extended Debentures").

The Extended Debentures will be similar in all material ways to the Debentures except that, the Extended Debentures:

- will have a maturity date of December 31, 2022, compared to December 31, 2020, for the existing Debentures;
- will bear interest at the rate of 8.00% per annum, payable in equal instalments semi-annually in arrears on June 30 and December 31 in each year, compared to 5.50% for the existing Debentures;
- will be convertible into common shares (the "Common Shares") of Cardinal at a conversion price (as defined in the Indenture) of \$1.25 per share, compared to \$10.50 per share for the existing Debentures;
- will not be redeemable by the Company prior to December 31, 2020; and
- as a consequence of the reduction in the Conversion Price, the number of additional Common Shares per \$1,000 principal amount of Extended Debentures constituting the relevant make-whole premium which is payable in connection with a Change of Control (as defined in the Indenture) in certain circumstances will be amended.

The meeting (the "Meeting") to consider the proposed Amendments will be held at the office of Burnet, Duckworth & Palmer LLP in Calgary, Alberta on June 19, 2020, at 9:00 a.m. (Calgary time).

A proxy form and a management information circular in connection with the Meeting is expected to be mailed

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to Debentureholders and filed on SEDAR shortly.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking statements") within the meaning of applicable securities laws relating to Cardinal's plans and other aspects of Cardinal's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, and without limiting the generality of the foregoing, all statements included in this press release that address activities, events or developments that Cardinal expects or anticipates will or may occur in the future, including, but not limited to statements with respect to the renewal of the Credit Facility, if any and the terms and conditions of such renewal, plans to hold a Meeting and the timing of the Meeting and availability of meeting materials, all constitute forward-looking statements under applicable Canadian securities laws and necessarily involve known and unknown risks and uncertainties, most of which are beyond Cardinal's control.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning various matters including that the Credit Facility will be renewed and on the terms expected.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the risk that the Credit Facility will not be renewed following the extension period, the terms of any such renewal, including, as to whether a renewed Credit Facility will permit the Company to draw on the Credit Facility in order to repay all or any portion of the Debentures on their maturity date.

Management has included the forward-looking statements above and a summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cardinal will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

About Cardinal Energy Ltd.

One of Cardinal's goals is to continually improve our Environmental, Safety and Governance mandate and operate our assets in a responsible and environmentally sensitive manner. As part of this mandate, Cardinal injects and conserves more carbon than it emits making us one of the few Canadian energy companies to have a negative carbon footprint.

Cardinal is a Canadian oil focused company with operations focused on low decline light, medium and heavy quality oil in Western Canada.

For further information:

M. Scott Ratushny, CEO or Shawn Van Spankeren, CFO or Laurence Broos, VP Finance

Email: info@cardinalenergy.ca Phone: (403) 234-8681

Website: www.cardinalenergy.ca

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