Cardinal Energy Ltd. Announces Asset Acquisition

03.10.2023 | Newsfile

Calgary, October 3, 2023 - Cardinal Energy Ltd. (TSX: CJ) ("Cardinal" or the "Company") is pleased to announce it has completed an asset acquisition within its core operating areas for a purchase price of approximately $25.0 million. Based upon internal estimates effective July 1, 2023, the properties add an estimated 2.0 million barrels of proved developed producing ("PDP") reserves and are also expected to contribute approximately 900 boe/d of production beginning in the fourth quarter of 2023.

The acquisition includes the consolidation of working interests in an existing, operated, long-life light oil unit (Mitsue, Alberta), and approximately 500 bbl/d of Clearwater (Buffalo-Figure Lake, Alberta) heavy oil production with up to 25 associated development drilling locations.

The acquisition is synergistic with Cardinal's existing operations, will not require any additional office staff and is consistent with our strategy of operating long-life sustainable production.

In 2023, Cardinal has disposed of, or has entered into agreements to dispose of non-core assets with higher future asset retirement obligations with approximately 400 boe/d of low netback production within our Alberta asset base.

Taking into consideration the effect of the acquisitions and divestitures, Cardinal forecasts to exit 2023 with production of 22,500 boe/d, a 3% increase over prior guidance.

Cardinal used existing bank lines to fund the purchase price for the acquisition and expects the incremental debt incurred from this acquisition will be repaid prior to year-end from fourth quarter free cash flow.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") 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", "forecast", "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, this press release contains forward-looking statements relating to: the Company's expectation to add production of 900 boe/d for the fourth quarter of 2023, the Company's anticipated exit production of 22,500 boe/d, plans to dispose of certain assets and that the incremental debt incurred from this acquisition will be repaid prior to year-end from fourth quarter free cash flow. Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal including anticipated financial performance, the performance of existing and future wells, closing of transactions under contract will occur in a timely manner and on expected terms, business prospects, strategies, regulatory developments, current and future commodity prices and exchange rates, effects of inflation, applicable royalty rates, tax laws, industry conditions, availability of government subsidies and abandonment and reclamation programs, future well production rates and reserve volumes, future operating

costs, the success of our exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and drilling success and potential timing delays.

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 impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry including abandonment and reclamation programs; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

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.

Supplemental Information Regarding Product Types

This news release includes references to 2023 production. The Company discloses crude oil production based on the pricing index that the oil is priced from. The following table is intended to provide the product type composition as defined by NI 51-101.

	Light/Medium Crude Oil	Heavy Oil	NGL	Conventional Natural Gas	Total (boe/d)
Acquired Assets	35%	55%	4%	6%	900
Disposed Assets (including assets under agreement)	91%	-	-	9%	400
Exit 2023	45%	40%	4%	11%	22,500

Oil and Gas Metrics

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

Reserves Advisories and Definitions

Reserve estimates are based on an internal evaluation effective July 1, 2023 as prepared by a member of Cardinal's management who is a qualified reserves evaluator in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and have been calculated using assumptions and methodology guidelines outlined in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and NI 51-101. Such estimates are based on values that the Company believes to be reasonable and are subject to the same limitations and risks discussed below under "Forward-Looking Statements".

Unless otherwise indicated, all reserves reported in this news release are Company share gross reserves which represent Cardinal's total working interest reserves prior to the deduction of royalties payable.

"PDP" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Drilling Locations

This news release discloses Cardinal's acquisition of 25 additional Clearwater potential locations of which no locations are currently booked. Unbooked locations do not have attributed reserves. Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

About Cardinal Energy Ltd.

Cardinal is a Canadian oil and natural gas company with operations focused on low decline oil in Western Canada. Cardinal differentiates itself from its peers by having the lowest decline conventional asset base in Western Canada. Cardinal works to continually improve its Environmental, Social and Governance profile and operates its assets in a responsible and environmentally sensitive manner.

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