

Birchcliff Energy Ltd. Announces Unaudited 2024 Full-Year and Fourth Quarter Results and 2024 Reserves Highlights

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CALGARY, Feb. 12, 2025 - [Birchcliff Energy Ltd.](#) ("Birchcliff" or the "Corporation") (TSX: BIR) is pleased to announce its unaudited 2024 full-year and fourth quarter financial and operational results and highlights from its independent reserves evaluation effective December 31, 2024.

"Due to the success of our 2024 capital program and driven by our improved capital efficiencies, we delivered annual average production of 76,695 boe/d and adjusted funds flow⁽¹⁾ of \$236.8 million and returned \$107.8 million to shareholders through common share dividends in 2024," commented Chris Carlsen, President and Chief Executive Officer of Birchcliff. "The 27 wells we brought on production as part of the 2024 capital program delivered strong PDP reserves additions of 34.1 MMboe, which highlights the quality of our assets. We believe that there is significant intrinsic shareholder value embedded in Birchcliff's asset base that is not reflected in our current share price, as demonstrated by our PDP reserves net asset value per common share⁽²⁾ of \$6.35 and \$13.79 and \$18.09 for our proved and proved plus probable reserves, respectively.⁽³⁾ In addition, our Elsworth asset, which is largely unbooked from a reserves basis, provides us with significant inventory and a large potential future development area consisting of approximately 145 net sections of Montney lands."

"Our strategy for 2025 builds off of the operational momentum from 2024, maintaining our focus on capital efficiency improvements and further driving down costs. Our 2025 capital program has been designed to ensure that our capital is strategically deployed throughout the year, providing us with the flexibility to adjust our capital spending if necessary in response to the commodity price volatility we expect during 2025, including as a result of the potential for U.S. and Canadian tariffs and the start-up of LNG Canada."

2024 Financial and Operational Highlights

- Delivered annual average production of 76,695 boe/d (82% natural gas and 18% liquids) in 2024 and quarterly average production of 77,623 boe/d (82% natural gas and 18% liquids) in Q4 2024.
- Generated annual adjusted funds flow of \$236.8 million in 2024 and quarterly adjusted funds flow of \$71.8 million in Q4 2024. Cash flow from operating activities was \$203.7 million in 2024 and \$45.6 million in Q4 2024.
- Reported annual net income to common shareholders of \$56.1 million in 2024 and quarterly net income to common shareholders of \$35.2 million in Q4 2024.
- F&D capital expenditures were \$273.1 million in 2024 and \$58.3 million in Q4 2024. Birchcliff drilled 29 (29.0 net) wells and brought 27 (27.0 net) wells on production in 2024.
- Returned \$107.8 million to shareholders in 2024 through common share dividends.

2024 Reserves Highlights⁽⁴⁾

- Birchcliff brought 27 new wells on production as part of its 2024 F&D capital program with strong PDP reserves additions of 34.1 MMboe (1.26 MMboe per well) and delivered PDP F&D costs⁽⁵⁾ of \$8.01/boe, resulting in a PDP F&D operating netback recycle ratio⁽²⁾ of 1.4x in 2024 on such additions.
- Birchcliff added an aggregate of 23.7 MMboe of PDP reserves on an F&D basis in 2024, after adding back 2024 actual production of 28.1 MMboe⁽⁶⁾ and including all other applicable PDP reserves adjustments in 2024. Birchcliff's PDP reserves totalled 217.1 MMboe at December 31, 2024.
- Birchcliff delivered PDP F&D costs of \$11.52/boe and a PDP F&D operating netback recycle ratio of 1.0x on its aggregate 23.7 MMboe of PDP reserves additions, notwithstanding \$18.8 million in F&D capital expenditures spent on strategic priorities in Elsworth for which there was no production or reserves assigned at year-end 2024.
- At December 31, 2024, the net present value of future net revenue (before income taxes, discounted at 10%) was \$2.3 billion for Birchcliff's PDP reserves, \$4.4 billion for its proved reserves and \$5.6 billion for its proved plus probable reserves.

- The net asset value per common share of Birchcliff's PDP, proved and proved plus probable reserves at December 31, 2024 was \$6.35, \$13.79 and \$18.09, respectively, which is 9%, 136% and 210% higher than the closing price of its common shares on the TSX on February 10, 2025 of \$5.84.
- Reserves life index⁽⁵⁾ at December 31, 2024 of 7.7 years on a PDP basis, 23.6 years on a proved basis and 34.3 years on a proved plus probable basis.

Birchcliff anticipates filing its annual information form and audited financial statements and related management's discussion and analysis for the year ended December 31, 2024 on March 12, 2025.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. For further information regarding the forward-looking statements and forward-looking information contained herein, see "Advisories - Forward-Looking Statements". With respect to the disclosure of Birchcliff's reserves and related reserves metrics contained in this press release, see "2024 Year-End Reserves", "Presentation of Oil and Gas Reserves" and "Advisories - Oil and Gas Metrics". With respect to the disclosure of Birchcliff's production contained in this press release, unless otherwise stated herein, production volumes have been disclosed on a "gross" basis as such term is defined in National Instrument 51-101- Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). For further information regarding the disclosure of Birchcliff's production contained herein, see "Advisories - Production". In addition, this press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" as such terms are defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112"). Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and might not be comparable to similar financial measures disclosed by other issuers. For further information regarding the non-GAAP and other financial measures used in this press release, see "Non-GAAP and Other Financial Measures".

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures".

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures".

(3) Net asset value per common share is at December 31, 2024 and before income taxes (discounted at 10%). See "2024 Year-End Reserves - Net Asset Value".

(4) Deloitte LLP ("Deloitte") prepared an independent evaluation of the Corporation's reserves effective December 31, 2024 as contained in their report dated February 12, 2025 (the "Deloitte Report"). The forecast commodity prices, inflation and exchange rates utilized in the Deloitte Report were computed using the average of forecasts from Deloitte, McDaniel & Associates Consultants Ltd. ("McDaniel"), GLJ Ltd. ("GLJ") and Sproule Associates Limited ("Sproule") effective January 1, 2025 (the "2024 Price Forecast"). See "2024 Year-End Reserves" and "Presentation of Oil and Gas Reserves".

(5) See "Advisories - Oil and Gas Metrics".

(6) Consists of 738.2 Mbbls of light oil, 1,619.6 Mbbls of condensate, 2,591.3 Mbbls of NGLs and 138,728.6 MMcf of natural gas.

2024 UNAUDITED FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended		Twelve months ended	
	December 31, 2024	2023	December 31, 2024	2023
OPERATING				
Average production				
Light oil (bbls/d)	1,993	1,649	2,017	1,849
Condensate (bbls/d)	4,310	5,145	4,425	5,202
NGLs (bbls/d)	7,748	7,653	7,080	6,306
Natural gas (Mcf/d)	381,433	372,594	379,040	374,052
Total (boe/d)	77,623	76,546	76,695	75,699
Average realized sales prices (CDN\$) ⁽¹⁾				
Light oil (per bbl)	95.18	100.07	98.90	99.07

Condensate (<i>per bbl</i>)	95.79	103.80	99.66	103.76
NGLs (<i>per bbl</i>)	26.20	26.95	26.37	26.92
Natural gas (<i>per Mcf</i>)	2.27	2.92	2.05	3.03
Total (<i>per boe</i>)	21.53	26.02	20.90	26.79
NETBACK AND COST (\$/boe)				
Petroleum and natural gas revenue ⁽¹⁾	21.53	26.03	20.91	26.80
Royalty expense	(1.26	) (2.75	) (1.41	) (2.54
Operating expense	(2.91	) (3.81	) (3.24	) (3.83
Transportation and other expense ⁽²⁾	(5.26	) (5.53	) (5.24	) (5.69
Operating netback ⁽²⁾	12.10	13.94	11.02	14.74
G&A expense, net	(2.00	) (1.80	) (1.45	) (1.52
Interest expense	(1.40	) (0.95	) (1.31	) (0.74
Lease interest expense	(0.33	) -	(0.16) -
Realized gain (loss) on financial instruments	1.68	(0.38	) 0.33	(1.35
Other cash income (expense)	0.01	0.01	0.01	(0.03
Adjusted funds flow ⁽²⁾	10.06	10.82	8.44	11.10
Depletion and depreciation expense	(8.96	) (8.44	) (8.79	) (8.20
Unrealized gain (loss) on financial instruments	5.95	(1.58	) 3.51	(1.38
Other expenses ⁽³⁾	(0.75	) (1.88	) (0.52	) (0.95
Deferred income tax (expense) recovery	(1.37	) 0.29	(0.64	) (0.22
Net income (loss) to common shareholders	4.93	(0.79	) 2.00	0.35
FINANCIAL				
Petroleum and natural gas revenue (\$000s) ⁽¹⁾	153,741	183,295	586,856	740,359
Cash flow from operating activities (\$000s)	45,641	79,006	203,710	320,529
Adjusted funds flow (\$000s) ⁽⁴⁾	71,838	76,215	236,794	306,827
Per basic common share (\$) ⁽²⁾	0.27	0.29	0.88	1.15
Free funds flow (\$000s) ⁽⁴⁾	13,528	18,049	(36,290	) 2,190
Per basic common share (\$) ⁽²⁾	0.05	0.07	(0.13	) 0.01
Net income (loss) to common shareholders (\$000s)	35,216	(5,533	) 56,100	9,780
Per basic common share (\$)	0.13	(0.02	) 0.21	0.04
End of period basic common shares (000s)	271,304	267,156	271,304	267,156
Weighted average basic common shares (000s)	270,185	266,667	269,081	266,465
Dividends on common shares (\$000s)	27,126	53,390	107,833	213,344
F&D capital expenditures (\$000s) ⁽⁵⁾	58,310	58,166	273,084	304,637
Total capital expenditures (\$000s) ⁽⁴⁾	66,673	59,541	282,745	307,916
Revolving term credit facilities (\$000s)	566,857	372,097	566,857	372,097
Total debt (\$000s) ⁽⁶⁾	535,557	382,306	535,557	382,306

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures".

(3) Includes non-cash items such as compensation, accretion, amortization of deferred financing fees and other gains and losses.

(4) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures".

(5) See "Advisories - F&D Capital Expenditures".

(6) Capital management measure. See "Non-GAAP and Other Financial Measures".

FULL-YEAR AND Q4 2024 UNAUDITED FINANCIAL AND OPERATIONAL RESULTS

Production

- Birchcliff's production averaged 76,695 boe/d in 2024, a 1% increase from 2023. Production averaged 77,623 boe/d in Q4 2024, a 1% increase from Q4 2023. Birchcliff's annual average production for 2024 was at the high-end of its guidance range of 75,000 to 77,000 boe/d.
- The increases were primarily due to the strong performance of the Corporation's capital program and the successful drilling of new Montney/Doig wells brought on production, partially offset by natural production declines. Full-year production in 2023 was negatively impacted by an unplanned system outage on Pembina's Northern Pipeline system, which reduced the Corporation's NGLs sales volumes in 2023.
- Liquids accounted for 18% of Birchcliff's total production in both 2024 and 2023, which was in line with Birchcliff's guidance of 19%. Liquids accounted for 18% of Birchcliff's total production in Q4 2024 as compared to 19% in Q4 2023.

Adjusted Funds Flow and Cash Flow From Operating Activities

- Birchcliff generated adjusted funds flow of \$236.8 million in 2024, or \$0.88 per basic common share, both of which decreased by 23% from 2023. Adjusted funds flow was \$71.8 million in Q4 2024, or \$0.27 per basic common share, a 6% and 7% decrease from Q4 2023, respectively. Birchcliff's full-year adjusted funds flow in 2024 was higher than its guidance of \$230 million primarily due to lower than expected royalty and G&A expenses.
- Birchcliff's cash flow from operating activities was \$203.7 million in 2024, a 36% decrease from 2023. Cash flow from operating activities was \$45.6 million in Q4 2024, a 42% decrease from Q4 2023.
- The decreases in adjusted funds flow and cash flow from operating activities were primarily due to lower natural gas revenue, which was largely the result of a 32% and 22% decrease in the average realized sales price Birchcliff received for its natural gas production in the full-year and Q4 2024, respectively, as compared to 2023, and higher interest expenses. Birchcliff's adjusted funds flow and cash flow from operating activities were positively impacted by lower royalty expenses and realized gains on financial instruments of \$9.3 million and \$12.0 million in the full-year and Q4 2024, respectively, as compared to realized losses on financial instruments of \$37.3 million and \$2.6 million in 2023.

Net Income (Loss) to Common Shareholders

- Birchcliff earned net income to common shareholders of \$56.1 million in 2024, or \$0.21 per basic common share, as compared to \$9.8 million and \$0.04 per basic common share in 2023. The increases were primarily due to an unrealized mark-to-market gain on financial instruments of \$98.6 million in 2024 as compared to an unrealized mark-to-market loss on financial instruments of \$38.2 million in 2023, partially offset by lower adjusted funds flow in 2024.
- Birchcliff earned net income to common shareholders of \$35.2 million in Q4 2024, or \$0.13 per basic common share, as compared to a net loss to common shareholders of \$5.5 million and \$0.02 per basic common share in Q4 2023. The change to a net income position was primarily due to an unrealized mark-to-market gain on financial instruments of \$42.5 million in Q4 2024 as compared to an unrealized mark-to-market loss on financial instruments of \$11.1 million in Q4 2023.

Debt and Credit Facilities

- Total debt at December 31, 2024 was \$535.6 million, a 40% increase from December 31, 2023. Birchcliff's 2024 year-end total debt was at the high-end of its guidance range of \$515 million to \$535 million.
- At December 31, 2024, Birchcliff had a balance outstanding under its extendible revolving credit facilities (the "Credit Facilities") of \$570.9 million (December 31, 2023: \$374.1 million) from available Credit Facilities of \$850.0 million (December 31, 2023: \$850.0 million), leaving the Corporation with \$279.1 million (33%) of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized deferred financing fees. This unutilized credit capacity provides Birchcliff with significant financial flexibility and available capital resources. The Credit Facilities have a maturity date of May 11, 2027 and do not contain any financial maintenance covenants.

Marketing and Natural Gas Market Diversification

- Birchcliff's physical natural gas sales exposure primarily consists of the AECO, Dawn and Alliance markets. In addition, the Corporation has various financial instruments outstanding that provide it with exposure to NYMEX HH pricing.

The following table sets forth Birchcliff's effective sales, production and average realized sales price for natural gas and liquids for Q4 2024, after taking into account the Corporation's financial instruments:

Three months ended December 31, 2024

Market	Effective sales (CDN\$000s)	Percentage of total sales (%)	Effective production (per day)	Percentage of total natural gas production (%)	Percentage of total corporate production (%)
AECO ⁽¹⁾⁽²⁾	11,831	6	82,345 Mcf	21	18
Dawn ⁽³⁾	48,281	26	162,555 Mcf	43	35
NYMEX HH ⁽¹⁾⁽⁴⁾	53,015	28	136,533 Mcf	36	29
Total natural gas ⁽¹⁾	113,127	60	381,433 Mcf	100	82
Light oil	17,450	10	1,993 bbls		3
Condensate	37,985	20	4,310 bbls		5
NGLs	18,679	10	7,748 bbls		10
Total liquids	74,114	40	14,051 bbls		18
Total corporate ⁽¹⁾	187,241	100	77,623 boe		100

(1) Effective sales and effective average realized sales price on a total natural gas and total corporate basis and for the AECO and NYMEX HH markets are non-GAAP financial measures and non-GAAP ratios, respectively. See "Non-GAAP and Other Financial Measures".

(2) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. All of Birchcliff's short-term physical Alliance sales and production during Q4 2024 received AECO premium pricing and have therefore been included as effective sales and production in the AECO market.

(3) Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 GJ/d of natural gas on TransCanada Pipelines' Canadian Mainline, whereby natural gas is transported to the Dawn trading hub in Southern Ontario.

(4) NYMEX HH effective sales and production include financial NYMEX HH/AECO 7A basis swap contracts for an aggregate of 147,500 MMBtu/d at an average contract price of NYMEX HH less US\$1.12/MMBtu during Q4 2024. Birchcliff's effective average realized sales price for NYMEX HH of CDN\$4.22/Mcf (US\$2.76/MMBtu) was determined on a gross basis before giving effect to the average NYMEX HH/AECO 7A fixed contract basis differential price of CDN\$1.71/Mcf (US\$1.12/MMBtu) and includes any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q4 2024. After giving effect to the NYMEX HH/AECO 7A fixed contract basis differential price and including any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q4 2024, Birchcliff's effective average realized net sales price for NYMEX HH was CDN\$2.51/Mcf (US\$1.64/MMBtu) in Q4 2024.

The following table sets forth Birchcliff's physical sales, production, average realized sales price, transportation costs and natural gas sales netback by natural gas market for the periods indicated, before taking into account the Corporation's financial instruments:

Three months ended December 31, 2024

Natural gas market	Natural gas sales ⁽¹⁾ (CDN\$000s)	Percentage of natural gas sales (%)	Natural gas production (Mcf/d)	Percentage of natural gas production (%)	Average realized natural gas sales price ⁽¹⁾ (CDN\$/Mcf)	Natural gas transportation costs ⁽²⁾ (CDN\$/Mcf)	Natural gas sales netback ⁽³⁾ (CDN\$/Mcf)
AECO	31,027	39	216,321	57	1.57	0.38	1.19
Dawn	48,281	60	162,555	42	3.23	1.43	1.80
Alliance ⁽⁴⁾	307	1	2,557	1	1.30	-	1.30
Total	79,615	100	381,433	100	2.27	0.83	1.44

Three months ended December 31, 2023

Natural gas market	Natural gas sales ⁽¹⁾ (CDN\$000s)	Percentage of natural gas sales (%)	Natural gas production (Mcf/d)	Percentage of natural gas production (%)	Average realized natural gas sales price ⁽¹⁾ (CDN\$/Mcf)	Natural gas transportation costs ⁽²⁾ (CDN\$/Mcf)	Natural gas sales netback ⁽³⁾ (CDN\$/Mcf)
AECO	50,508	51	203,024	55	2.72	0.38	2.33
Dawn	47,433	47	161,119	43	3.20	1.42	1.78
Alliance ⁽⁴⁾	2,016	2	8,451	2	2.59	-	2.59
Total	99,957	100	372,594	100	2.92	0.83	2.09

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Reflects costs to transport natural gas from the field receipt point to the delivery sales trading hub.

(3) Natural gas sales netback denotes the average realized natural gas sales price less natural gas transportation costs.

(4) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. Alliance sales are recorded net of transportation tolls.

Capital Activities and Investment

- F&D capital expenditures were \$273.1 million in 2024, as compared to Birchcliff's guidance of \$250 million to \$270 million.
- In 2024, the Corporation achieved a significant year-over-year improvement in capital efficiency⁽⁷⁾ for its wells of approximately 24% compared to 2023. The following table sets forth the wells that were drilled and brought on production in 2024:

	Number of wells drilled in 2024 ⁽¹⁾	Number of wells brought on production in 2024
Pouce Coupe		
04-30 (5-well pad) Montney D1 0 ⁽²⁾		5
16-17 (5-well pad) BD/UM	1	1
Montney D1 3		3
Montney D4 1		1
16-15 (6-well pad) Montney D1 6		6
10-22 (5-well pad) Montney D1 5		5
04-05 (5-well pad) Montney D1 5		0 ⁽³⁾
Gordondale		
02-27 (2-well pad) Montney D1 1		1
Montney D2 1		1
01-10 (4-well pad) Montney D1 4		4
Elmworth		
13-09 vertical Montney 1	1	0
01-28 horizontal Montney 1	1	0
TOTAL	29	27

(1) All wells are natural gas wells, except for the 4-well 01-10 pad, which are light oil wells.

(2) The five wells drilled on the 04-30 pad were drilled in December 2023.

(3) The five wells drilled on the 04-05 pad are scheduled to come on production later in February 2025.

(7) See "Advisories - Oil and Gas Metrics".

UPDATE ON 2025 CAPITAL PROGRAM

- As disclosed in Birchcliff's press release dated January 22, 2025, the Corporation's board of directors (the "Board") approved a disciplined F&D capital budget of \$260 million to \$300 million for 2025. Benefitting from the learnings gained from the Corporation's 2024 capital program, the wells in Birchcliff's 2025 capital program are expected to yield strong production, using the Corporation's latest field development practices and wellbore design, which incorporates longer lateral lengths, reduced cluster spacing and increased proppant loading where appropriate.
- The Corporation successfully completed drilling its 5-well 04-05 pad in Pouce Coupe in December 2024. Completions operations are currently underway on the pad, with the wells scheduled to come on production later in February 2025. The pad was drilled in the Lower Montney targeting high-rate natural gas wells.
- The Corporation is currently drilling its 3-well 07-10 pad in Pouce Coupe. The pad is targeting condensate-rich natural gas wells in the Lower Montney. The wells are anticipated to be brought on production at the end of Q1 2025.
- The Corporation successfully completed drilling its 4-well 02-27 pad in Gordondale in February 2025, with completions operations scheduled to begin in March 2025. The pad is targeting condensate-rich natural gas wells in the Lower Montney. The wells are anticipated to be brought on production in early Q2 2025.
- In Elsworth, the Corporation completed a horizontal land retention well and has commenced a short clean-up test. As disclosed in the Corporation's press release on January 22, 2025, this well is not currently planned to be tied in.

U.S. AND CANADIAN TARIFFS

- While Birchcliff hopes that there will not be a trade dispute between the United States and Canada, the Corporation believes that Canada's over-reliance on exporting its energy into the U.S. must be addressed through the reduction of red tape and government interference in the construction of critical infrastructure such as oil and gas pipelines to the east and west coasts of Canada, LNG terminals on each coast and an increase in refining capacity within Canada, in order to diversify Canada's energy export market. The Corporation continues to actively monitor this situation.
- Birchcliff believes that its ongoing strategy of maintaining significant natural gas market diversification for 2025 will continue to protect the Corporation from volatility in the North American natural gas pricing environment, including as it relates to potential tariffs. Approximately 41% of Birchcliff's natural gas production is physically delivered to the Dawn trading hub in Ontario, which is priced in U.S. dollars, and the Corporation also has U.S. denominated financial contracts that expose approximately 35% of its natural gas production to NYMEX HH pricing on a financial basis, without physical delivery into the United States.

2024 YEAR-END RESERVES

The reserves data set forth below at December 31, 2024 is based upon the Deloitte Report, which has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and NI 51-101.

The reserves data provided in this press release presents only a portion of the disclosure required under NI 51-101. The disclosure required under NI 51-101 will be contained in Birchcliff's annual information form for the year ended December 31, 2024, which is expected to be filed on SEDAR+ (www.sedarplus.ca) on March 12, 2025.

In some of the tables below, numbers may not add due to rounding. The estimates of future net revenue contained herein do not represent fair market value. For additional information regarding the presentation of Birchcliff's reserves disclosure contained herein, see "*Presentation of Oil and Gas Reserves*" and "*Advisories*" in this press release.

Reserves Summary

The following table summarizes the estimates of Birchcliff's gross reserves at December 31, 2024 and December 31, 2023, estimated using the forecast price and cost assumptions in effect as at the effective date of the applicable reserves evaluation:

Reserves Category	December 31, 2024 (Mboe)	December 31, 2023 ⁽¹⁾ (Mboe)	% Change
Proved Developed Producing	217,076	220,536	(2)
Total Proved	667,390	691,886	(4)
Total Proved Plus Probable	969,636	993,897	(2)

(1) Deloitte prepared an independent evaluation of the Corporation's reserves effective December 31, 2023 as contained in their report dated February 14, 2024 (the "2023 Deloitte Report"). The forecast commodity prices, inflation and exchange rates utilized in the 2023 Deloitte Report were computed using the average of forecasts from Deloitte, McDaniel, GLJ and Sproule effective January 1, 2024 (the "2023 Price Forecast").

The following table sets forth Birchcliff's light crude oil and medium crude oil, conventional natural gas, shale gas and NGLs reserves at December 31, 2024, estimated using the 2024 Price Forecast:

Reserves Category	Light Crude Oil and Medium Crude Oil		Conventional Natural Gas		Shale Gas		NGLs ⁽¹⁾		Total Oil Equivalent	
	Gross (Mbbbls)	Net (Mbbbls)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbls)	Net (Mbbbls)	Gross (Mboe)	Net (Mboe)
Proved										
Developed Producing	4,889	3,946	6,051	5,707	1,053,238	971,102	35,639	29,058	217,076	195,811
Developed Non-Producing	9	9	0	0	4,840	4,537	239	203	1,054	968
Undeveloped	7,089	5,747	2,858	2,625	2,320,235	2,094,569	54,988	42,966	449,259	398,211
Total Proved	11,987	9,701	8,909	8,332	3,378,312	3,070,208	90,866	72,227	667,390	595,010
Total Probable	9,083	6,933	5,270	4,911	1,442,846	1,272,820	51,811	39,640	302,246	259,511
Total Proved Plus Probable	21,070	16,635	14,179	13,243	4,821,158	4,343,028	142,676	111,868	969,636	854,521

(1) NGLs includes condensate.

Net Present Values of Future Net Revenue

The following table sets forth the net present values of future net revenue attributable to Birchcliff's reserves at December 31, 2024, estimated using the 2024 Price Forecast, before deducting future income tax expenses and calculated at various discount rates:

Reserves Category	Before Income Taxes Discounted At (%/year)				Unit Value Discounted at 10%/year (\$000s) ⁽¹⁾
	0 (\$000s)	5 (\$000s)	10 (\$000s)	15 (\$000s)	
Proved					
Developed Producing	3,670,971	2,851,081	2,277,750	1,892,104	11,623,811
Developed Non-Producing	13,717	9,900	7,499	5,888	4,750
Undeveloped	7,083,864	3,707,943	2,073,919	1,199,557	6,921,944
Total Proved	10,768,552	6,568,924	4,359,168	3,097,549	27,321,504
Total Probable	6,210,051	2,553,082	1,204,663	632,630	3,664,333

Total Proved Plus Probable 16,978,602 9,122,005 5,563,831 3,730,179 ~~2,682,638~~

(1) Unit values are based on net reserves volumes.

Net Asset Value

Net asset value reflects the estimated long-term fair value of Birchcliff's underlying reserves assets after settling its outstanding financial obligations at a point in time. The net present value of the Corporation's reserves can vary significantly depending on the oil and natural gas price assumptions used by Deloitte and assumes only the reserves identified in the applicable reserves report, with no further acquisitions or incremental development.

The following table sets forth Birchcliff's net asset value for its PDP, total proved and total proved plus probable reserves for the periods indicated:

(\$000s, except per share amounts)	Proved Developed Producing Total Proved		Total Proved Plus Probable			
	2024	2023	2024	2023		
As at December 31, Reserves, NPV10%(1)	2,277,750	2,620,064	4,359,168	5,405,617	5,563,831	6,830,000
Total debt(2)	(535,557)	(382,306)	(535,557)	(382,306)	(535,557)	(382,306)
Unexercised securities(3)	34,961	16,717	34,961	16,717	34,961	16,717
Net asset value(4)(5)	1,777,154	2,254,475	3,858,572	5,040,028	5,063,235	6,464,408
Net asset value (per common share)(4)(5)(6)	\$6.35	\$8.22	\$13.79	\$18.38	\$18.09	\$23.00

(1) Represents the net present value of the future net revenue (before income taxes, discounted at 10%) of Birchcliff's PDP, total proved and total proved plus probable reserves, as applicable, as estimated by Deloitte effective December 31, 2024 and December 31, 2023, using forecast prices and costs.

(2) Capital management measure. See "Non-GAAP and Other Financial Measures".

(3) Represents the value of unexercised in-the-money stock options and performance warrants outstanding at the end of the year. The closing trading price on the TSX of Birchcliff's common shares on December 31, 2024 and December 29, 2023 was \$5.42 and \$5.78, respectively.

(4) Excludes any value from undeveloped land and seismic.

(5) Net asset value is a non-GAAP financial measure and net asset value per common share is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures".

(6) For 2024, based on 279.9 million common shares, which includes 271.3 million basic common shares outstanding at December 31, 2024 and 8.6 million dilutive common shares from unexercised in-the-money stock options and performance warrants outstanding at December 31, 2024. For 2023, based on 274.2 million common shares, which includes 267.2 million basic common shares outstanding at December 31, 2023 and 7.0 million dilutive common shares from unexercised in-the-money stock options and performance warrants outstanding at December 31, 2023.

Net asset value decreased in all categories of reserves in 2024 as compared to 2023 primarily due to lower forecast prices in the 2024 Price Forecast compared to the 2023 Price Forecast, including an AECO price decrease of approximately 20% for 2025 through 2027 and approximately 11% thereafter.

Pricing Assumptions

The following table sets forth the 2024 Price Forecast used in the Deloitte Report:

Year	Crude Oil	Natural Gas(1)		NGLs
	WTI at Cushing Oklahoma (US\$/bbl)	Alberta AECO Average Price (CDN\$/Mcf)	Ontario Dawn Reference Point (CDN\$/Mcf)	NYMEX (US\$/Mcf)
		Edmonton City Gate (CDN\$/bbl)		

2025	71.19	94.00	2.35	4.28	3.30
2026	73.20	94.84	3.32	4.83	3.76
2027	74.54	95.28	3.52	4.94	3.93
2028	76.28	96.40	3.69	5.05	4.01
2029	77.81	98.33	3.77	5.14	4.10
2030	79.37	100.30	3.84	5.25	4.17
2031	80.96	102.31	3.92	5.34	4.25
2032	82.57	104.36	3.99	5.46	4.34
2033	84.22	106.44	4.08	5.58	4.43
2034	85.91	108.57	4.16	5.68	4.52
2035	87.63	110.74	4.24	5.80	4.61
2036	89.38	112.95	4.33	5.93	4.69
2037	91.17	115.21	4.42	6.03	4.79
2038	92.99	117.51	4.51	6.14	4.88
2039	94.85	119.86	4.59	6.28	4.99
2040	96.75	122.26	4.68	6.41	5.09
2041	98.69	124.71	4.78	6.54	5.19
2042	100.66	127.20	4.87	6.67	5.29
2043	102.67	129.75	4.97	6.81	5.39
2044	104.72	132.34	5.07	6.93	5.51
2044+	2.0%	2.0%	2.0%	2.0%	2.0%

(1) 1 Mcf = 1 MMBtu.

Reconciliation of Changes in Reserves

The following table sets forth the reconciliation of Birchcliff's gross reserves at December 31, 2024 as set forth in the Deloitte Report, estimated using the 2024 Price Forecast, to Birchcliff's gross reserves at December 31, 2023:

Factors	Light Crude Oil and Medium Crude Oil (Mbbbls)	Conventional Natural Gas (MMcf)	Shale Gas (MMcf)	NGLs ⁽⁸⁾ (Mbbbls)	Oil Equivalent (Mboe)
GROSS TOTAL PROVED					
Opening balance December 31, 2023	14,460	10,251	3,493,022	93,547	691,886
Extensions and Improved Recovery ⁽¹⁾	0	0	58,875	2,287	12,099
Technical Revisions ⁽²⁾	(1,724)	) 2,244	(37,966)	(2,022)	(9,699)
Discoveries ⁽³⁾	0	0	0	0	0
Acquisitions ⁽⁴⁾	0	0	18,193	1,633	4,665
Dispositions ⁽⁵⁾	0	0	0	0	0
Economic Factors ⁽⁶⁾	(12)	) (2,746)	(15,923)	(367)	(3,491)
Production ⁽⁷⁾	(738)	) (840)	(137,889)	(4,211)	(28,070)
Closing balance December 31, 2024	11,987	8,909	3,378,312	90,866	667,390
GROSS TOTAL PROBABLE					
Opening balance December 31, 2023	10,088	5,666	1,438,587	51,213	302,011
Extensions and Improved Recovery ⁽¹⁾	0	0	9,320	1,602	3,155
Technical Revisions ⁽²⁾	(1,003)	) (2,604)	(33,104)	(3,347)	(10,301)
Discoveries ⁽³⁾	0	0	0	0	0
Acquisitions ⁽⁴⁾	0	0	24,508	2,296	6,381
Dispositions ⁽⁵⁾	0	0	0	0	0
Economic Factors ⁽⁶⁾	(2)	) 2,208	3,535	45	1,000

Production ⁽⁷⁾	0	0	0	0	0
Closing balance December 31, 2024	9,083	5,270	1,442,846	51,811	302,246
GROSS TOTAL PROVED PLUS PROBABLE					
Opening balance December 31, 2023	24,549	15,917	4,931,609	144,760	993,897
Extensions and Improved Recovery ⁽¹⁾	0	0	68,195	3,888	15,254
Technical Revisions ⁽²⁾	(2,727	) (361	) (71,069	) (5,369	) (20,000
Discoveries ⁽³⁾	0	0	0	0	0
Acquisitions ⁽⁴⁾	0	0	42,701	3,929	11,046
Dispositions ⁽⁵⁾	0	0	0	0	0
Economic Factors ⁽⁶⁾	(14	) (538	) (12,389	) (322	) (2,490
Production ⁽⁷⁾	(738	) (840	) (137,889	) (4,211	) (28,070
Closing balance December 31, 2024	21,070	14,179	4,821,158	142,676	969,636

(1) Additions to volumes resulting from capital expenditures for: (i) step-out drilling in previously discovered reservoirs; (ii) infill drilling in previously discovered reservoirs that were not drilled as part of an enhanced recovery scheme; and (iii) the installation of improved recovery schemes.

(2) Positive or negative volume revisions to an estimate resulting from new technical data or revised interpretations on previously assigned volumes, performance and operating costs. This category also includes revisions resulting from well locations combined or removed as part of an updated development plan.

(3) Additions to volumes in reservoirs where no reserves were previously booked.

(4) Positive additions to volume estimates because of purchasing interests in oil and gas properties.

(5) Reductions in volume estimates because of selling all or a portion of an interest in oil and gas properties.

(6) Changes to volumes resulting from different price forecasts, inflation rates and regulatory changes.

(7) Reductions in the volume estimates due to actual production.

(8) NGLs includes condensate.

Key highlights include the following:

- **Extensions and Improved Recovery**
 - Reserves were added from 27 wells brought on production pursuant to the Corporation's successful 2024 capital program. The 2024 program was focused in Birchcliff's core areas in Pouce Coupe and Gordondale, converting proved and probable undeveloped reserves into PDP reserves.
- **Technical Revisions**
 - The technical revisions in all reserves categories for light crude oil and medium crude oil were primarily the result of: (i) higher gas-to-oil ratios for existing producing oil wells in the southeast area in Gordondale; and (ii) potential future drilling location adjustments based on offsetting well performance.
 - The technical revisions in all reserves categories for conventional natural gas were primarily the result of existing well performance.
 - The technical revisions in all reserves categories for shale gas were primarily the result of:

(i) an updated reserves forecast for existing wells based on historical performance, which included a reduction in the reserves attributable to 56 existing high-density producing wells that were drilled from 2019 to 2023. The Corporation does not expect that the technical revisions relating to these wells will negatively impact future reserves booked for other existing or future wells;

(ii) an updated full-field development plan, which included the combining or removal of multiple proved and probable potential future drilling locations, resulting in the removal of 10 proved undeveloped locations and 3 probable locations; and

(iii) an updated reserves forecast for various potential future drilling locations in the Lower Montney in Gordondale as a result of an increase in the reserves attributable to such future locations due to the continued outperformance of existing wells in the area.

- The technical revisions in all reserves categories for NGLs were primarily the result of: (i) a reduction in shale gas volumes; and (ii) reduced NGLs recoveries at the Corporation's owned and/or operated natural gas processing plants in Pouce Coupe and Gordondale. The reduced NGLs recoveries were partially offset by reduced natural gas shrinkage.
- Acquisitions
 - Changes were the result of various accretive acquisitions completed by Birchcliff in the Pouce Coupe and Gordondale areas in 2024.
- Economic Factors
 - The forecast prices for each product type were generally lower in the 2024 Price Forecast than the 2023 Price Forecast, which resulted in the economic limit at the end of a well's life being achieved earlier and therefore a reduction of the reserves volumes in the total proved and total proved plus probable categories.

Future Development Costs

Future development costs ("FDC") reflect Deloitte's best estimate of what it will cost to bring the proved and proved plus probable reserves on production. Changes in forecast FDC occur annually as a result of development activities, acquisition and disposition activities and capital cost estimates. The following table sets forth development costs deducted in the estimation of Birchcliff's future net revenue attributable to the reserves categories noted below, estimated using the 2024 Price Forecast:

Year	Proved (\$000s)	Proved Plus Probable (\$000s)
2025	198,395	215,960
2026	355,662	374,083
2027	424,921	455,059
2028	895,366	895,366
2029	644,546	645,166
Thereafter	849,599	2,299,368
Total undiscounted	3,368,489	4,885,002

FDC for proved reserves on an FD&A basis decreased to \$3.37 billion at December 31, 2024 from \$3.46 billion at December 31, 2023. FDC for proved plus probable reserves on an FD&A basis decreased to \$4.89 billion at December 31, 2024 from \$4.97 billion at December 31, 2023. The FDC to drill, case, complete, equip and tie-in for future locations in Birchcliff's Pouce Coupe and Gordondale areas (\$5.9 million per well) did not change from December 31, 2023 to December 31, 2024.

The FDC for both proved and proved plus probable reserves are primarily the capital costs required to drill, case, complete, equip and tie-in the net undeveloped locations. The estimates of FDC on a proved and proved plus probable basis also include approximately \$320 million (unescalated) for the continued expansion of the Pouce Coupe Gas Plant from the existing 340 MMcf/d to 660 MMcf/d of total throughput. The FDC for the expansion of the Pouce Coupe Gas Plant also include the costs of the related gathering pipelines and maintenance capital.

F&D and FD&A Costs

The following table sets forth Birchcliff's F&D and FD&A costs for its PDP, total proved and total proved plus probable reserves for the three previous financial years, including FDC:

	2024 ⁽²⁾	2023	2022	3-Year Average
F&D costs (\$/boe) ⁽¹⁾				
Proved Developed Producing	11.52 ⁽³⁾	13.16	10.24	11.43
Total Proved	n/a ⁽⁴⁾	16.02	82.02	29.43
Total Proved Plus Probable	n/a ⁽⁴⁾	24.90	n/a ⁽⁵⁾	110.72
FD&A costs (\$/boe) ⁽¹⁾				
Proved Developed Producing	11.42 ⁽⁶⁾	13.06	10.25	11.38
Total Proved	53.86 ⁽⁷⁾	13.79	78.96	23.24
Total Proved Plus Probable	50.39 ⁽⁸⁾	20.97	n/a ⁽⁵⁾	49.27

(1) See "Advisories - Oil and Gas Metrics" for a description of the methodology used to calculate F&D and FD&A costs.

(2) Birchcliff's F&D and FD&A capital expenditures were \$273.1 million and \$281.0 million, respectively, in 2024. Birchcliff's F&D and FD&A capital expenditures included \$18.8 million spent on strategic priorities in the Corporation's Elmworth area for which there was no production or reserves assigned at year-end 2024.

(3) Birchcliff added 23.7 MMboe of PDP reserves in 2024, after adding back 2024 actual production of 28.1 MMboe and including all other PDP reserves adjustments in 2024, excluding acquisitions and dispositions.

(4) Birchcliff's proved and proved plus probable reserves decreased in 2024, after adding back 2024 actual production of 28.1 MMboe. As a result of the year-over-year decrease in proved and proved plus probable reserves, the calculation for F&D costs for these reserves categories was not applicable in 2024.

(5) Birchcliff's proved plus probable reserves decreased in 2022, after adding back 2022 actual production of 28.1 MMboe. As a result of the year-over-year decrease in proved plus probable reserves, the calculations for F&D and FD&A costs for this reserves category were not applicable in 2022.

(6) Birchcliff added 24.6 MMboe of PDP reserves in 2024, after adding back 2024 actual production of 28.1 MMboe and including all other PDP reserves adjustments in 2024.

(7) Includes the 2024 decrease in FDC from 2023 of \$88.5 million on a proved basis. Birchcliff added 3.6 MMboe of proved reserves in 2024, after adding back 2024 actual production of 28.1 MMboe and including all other proved reserves adjustments in 2024.

(8) Includes the 2024 decrease in FDC from 2023 of \$89.0 million on a proved plus probable basis. Birchcliff added 3.8 MMboe of proved plus probable reserves in 2024, after adding back 2024 actual production of 28.1 MMboe and including all other proved plus probable reserves adjustments in 2024.

Recycle Ratios

The following table sets forth Birchcliff's F&D and FD&A operating netback recycle ratios for its PDP, total proved and total proved plus probable reserves for the three previous financial years, including FDC:

	2024	2023	2022	3-Year Average
F&D operating netback recycle ratio ⁽¹⁾⁽²⁾				
Proved Developed Producing	1.0x	1.1x	3.2x	1.7x
Total Proved	n/a ⁽³⁾	0.9x	0.4x	0.7x
Total Proved Plus Probable	n/a ⁽³⁾	0.6x	n/a ⁽⁴⁾	0.2x
FD&A operating netback recycle ratio ⁽¹⁾⁽²⁾				
Proved Developed Producing	1.0x	1.1x	3.2x	1.7x
Total Proved	0.2x	1.1x	0.4x	0.8x
Total Proved Plus Probable	0.2x	0.7x	n/a ⁽⁴⁾	0.4x

(1) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures".

(2) Birchcliff's operating netback was \$11.02/boe in 2024 as compared to \$14.74/boe in 2023 and \$32.85/boe in 2022. Operating netback is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures".

(3) As a result of the year-over-year decrease in proved and proved plus probable reserves, the calculation for F&D operating netback recycle ratio for these reserves categories was not applicable in 2024.

(4) As a result of the year-over-year decrease in proved plus probable reserves, the calculations for F&D and FD&A operating netback recycle ratio for this reserves category were not applicable in 2022.

Reserves Replacement

The following table sets forth Birchcliff's 2024 reserves replacement on an F&D and FD&A basis for its PDP, total proved and total proved plus probable reserves:

Reserves Category	2024 F&D Reserves Replacement ⁽¹⁾		2024 FD&A Reserves Replacement ⁽¹⁾	
Proved Developed Producing	84	%	88	%
Total Proved	n/a ⁽²⁾		13	%
Total Proved Plus Probable	n/a ⁽²⁾		14	%

(1) See "Advisories - Oil and Gas Metrics" for a description of the methodology used to calculate reserves replacement.

(2) As a result of the 1.1 MMboe and 7.2 MMboe decrease in Birchcliff's proved and proved plus probable reserves, respectively, in 2024, after adding back 2024 actual production of 28.1 MMboe, the calculation for F&D reserves replacement for these reserves categories was not applicable in 2024.

Reserves Life Index

The following table sets forth Birchcliff's reserves life index for its PDP, total proved and total proved plus probable reserves at December 31, 2024:

Reserves Category	Reserves Life Index ⁽¹⁾
Proved Developed Producing	7.7 years
Total Proved	23.6 years
Total Proved Plus Probable	34.3 years

(1) See "Advisories - Oil and Gas Metrics" for a description of the methodology used to calculate reserves life index.

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
bbl	barrel
bbls	barrels
bbls/d	barrels per day
BD/UM	Basal Doig/Upper Montney
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
condensate	pentanes plus (C5+)
F&D	finding and development
FD&A	finding, development and acquisition
G&A	general and administrative
GAAP	generally accepted accounting principles for Canadian public companies, which are currently International Financial Reporting Standards as issued by the International Accounting Standards Board
GJ/d	gigajoules per day

HH	Henry Hub
IP	initial production
LNG	liquefied natural gas
Mbbls	thousand barrels
Mboe	thousand barrels of oil equivalent
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
NGLs	natural gas liquids consisting of ethane (C2), propane (C3) and butane (C4) and, except where otherwise noted, excludes condensate
NPV	net present value
NYMEX	New York Mercantile Exchange
OPEC	Organization of the Petroleum Exporting Countries
PDP	proved developed producing
Q	quarter
TSX	Toronto Stock Exchange
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
000s	thousands
\$000s	thousands of dollars

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below.

Non-GAAP Financial Measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation. The non-GAAP financial measures used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP financial measures as indicators of Birchcliff's performance. Set forth below is a description of the non-GAAP financial measures used in this press release.

Adjusted Funds Flow and Free Funds Flow

Birchcliff defines "adjusted funds flow" as cash flow from operating activities before the effects of decommissioning expenditures, retirement benefit payments and changes in non-cash operating working capital. Birchcliff eliminates settlements of decommissioning expenditures from cash flow from operating activities as the amounts can be discretionary and may vary from period to period depending on its capital programs and the maturity of its operating areas. The settlement of decommissioning expenditures is managed with Birchcliff's capital budgeting process which considers available adjusted funds flow. Birchcliff eliminates retirement benefit payments from cash flow from operating activities as such payments reflect costs for past service and contributions made by eligible executives under the Corporation's

post-employment benefit plan, which are not indicative of the current period. Changes in non-cash operating working capital are eliminated in the determination of adjusted funds flow as the timing of collection and payment are variable and by excluding them from the calculation, the Corporation believes that it is able to provide a more meaningful measure of its operations and ability to generate cash on a continuing basis. Management believes that adjusted funds flow assists management and investors in assessing Birchcliff's financial performance after deducting all operating and corporate cash costs, as well as its ability to generate the cash necessary to fund sustaining and/or growth capital expenditures, repay debt, settle decommissioning obligations, buy back common shares and pay dividends.

Birchcliff defines "free funds flow" as adjusted funds flow less F&D capital expenditures. Management believes that free funds flow assists management and investors in assessing Birchcliff's ability to generate shareholder value and returns through a number of initiatives, including but not limited to, debt repayment, common share buybacks, the payment of common share dividends, acquisitions and other opportunities that would complement or otherwise improve the Corporation's business and enhance long-term shareholder value.

The most directly comparable GAAP financial measure to adjusted funds flow and free funds flow is cash flow from operating activities. The following table provides a reconciliation of cash flow from operating activities to adjusted funds flow and free funds flow for the periods indicated:

(\$000s)	Three months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
Cash flow from operating activities	45,641	79,006	203,710	320,529
Change in non-cash operating working capital	25,278	(6,248)	17,269	(19,477)
Decommissioning expenditures	919	1,457	1,964	3,775
Retirement benefit payments	-	2,000	13,851	2,000
Adjusted funds flow	71,838	76,215	236,794	306,827
F&D capital expenditures	(58,310)	(58,166)	(273,084)	(304,637)
Free funds flow	13,528	18,049	(36,290)	2,190

Transportation and Other Expense

Birchcliff defines "transportation and other expense" as transportation expense plus marketing purchases less marketing revenue. Birchcliff may enter into certain marketing purchase and sales arrangements with the objective of reducing any unused transportation or fractionation fees associated with its take-or-pay commitments and/or increasing the value of its production through value-added downstream initiatives. Management believes that transportation and other expense assists management and investors in assessing Birchcliff's total cost structure related to transportation and marketing activities.

The most directly comparable GAAP financial measure to transportation and other expense is transportation expense. The following table provides a reconciliation of transportation expense to transportation and other expense for the periods indicated:

(\$000s)	Three months ended December 31,		Twelve months ended December 31,	
	2024	2023	2024	2023
Transportation expense	36,722	38,509	149,534	152,828
Marketing purchases	14,905	8,928	51,496	34,772
Marketing revenue	(14,083)	(8,532)	(54,069)	(30,521)
Transportation and other expense	37,544	38,905	146,961	157,079

Operating Netback

Birchcliff defines "operating netback" as petroleum and natural gas revenue less royalty expense, operating expense and transportation and other expense. Management believes that operating netback assists management and investors in assessing Birchcliff's operating profits after deducting the cash costs that are directly associated with the sale of its production, which can then be used to pay other corporate cash costs or satisfy other obligations.

The following table provides a breakdown of Birchcliff's operating netback for the periods indicated:

(\$000s)	Three months ended		Twelve months ended		
	December 31,		December 31,		
	2024	2023	2024	2023	2022
Petroleum and natural gas revenue	153,741	183,295	586,856	740,359	1,340,180
Royalty expense	(9,033)	(19,400)	(39,608)	(70,257)	(161,226)
Operating expense	(20,758)	(26,808)	(90,890)	(105,809)	(101,581)
Transportation and other expense	(37,544)	(38,905)	(146,961)	(157,079)	(154,924)
Operating netback	86,406	98,182	309,397	407,214	922,449

FD&A and Total Capital Expenditures

Birchcliff defines "FD&A capital expenditures" as exploration and development expenditures, less dispositions, plus acquisitions (if any). Birchcliff defines "total capital expenditures" as FD&A capital expenditures plus administrative assets. Management believes that FD&A capital expenditures and total capital expenditures assist management and investors in assessing Birchcliff's overall capital cost structure associated with its petroleum and natural gas activities.

The most directly comparable GAAP financial measure to FD&A capital expenditures and total capital expenditures is exploration and development expenditures. The following table provides a reconciliation of exploration and development expenditures to FD&A capital expenditures and total capital expenditures for the periods indicated:

(\$000s)	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
Exploration and development expenditures ⁽¹⁾	58,310	58,166	273,084	304,637
Acquisitions	8,076	2	8,169	190
Dispositions	(100)	(10)	(258)	(87)
FD&A capital expenditures	66,286	58,158	280,995	304,740
Administrative assets	387	1,383	1,750	3,176
Total capital expenditures	66,673	59,541	282,745	307,916

(1) Disclosed as F&D capital expenditures elsewhere in this press release. See "Advisories - F&D Capital Expenditures".

Net Asset Value

Birchcliff defines "net asset value" as property, plant and equipment, plus reserves premium adjustment (less reserves discount adjustment) for its PDP, total proved and total proved plus probable reserves (as the case may be), less total debt and plus the value of unexercised in-the-money stock options and performance warrants outstanding at the end of the period. Management believes that net asset value assists management and investors in assessing the long-term fair value of Birchcliff's underlying reserves assets after settling its outstanding financial obligations.

The most directly comparable GAAP financial measure to net asset value is property, plant and equipment. The following table provides a reconciliation of property, plant and equipment to net asset value for the

periods indicated:

As at December 31, (\$000s)	Proved Developed Producing Total Proved		Total Proved Plus P			
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	3,218,506	3,055,958	3,218,506	3,055,958	3,218,506	3,055,958
Reserves premium (discount) adjustment ⁽¹⁾	(940,756)	(435,894)	1,140,662	2,349,659	2,345,325	3,779,659
Total debt	(535,557)	(382,306)	(535,557)	(382,306)	(535,557)	(382,306)
Unexercised securities	34,961	16,717	34,961	16,717	34,961	16,717
Net asset value	1,777,154	2,254,475	3,858,572	5,040,028	5,063,235	6,469,659

(1) Represents the premium or discount, as the case may be, between the net present value of future net revenue (before income taxes, discounted at 10%) of Birchcliff's PDP, total proved and total proved plus probable reserves, as the case may be, and the property, plant and equipment disclosed on the financial statements.

Effective Sales - Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff defines "effective sales" in the AECO market and NYMEX HH market as the sales amount received from the production of natural gas that is effectively attributed to the AECO and NYMEX HH market pricing, respectively, and does not consider the physical sales delivery point in each case. Effective sales in the NYMEX HH market includes realized gains and losses on financial instruments and excludes the notional fixed basis costs associated with the underlying financial contract in the period. Birchcliff defines "effective total natural gas sales" as the aggregate of the effective sales amount received in each natural gas market. Birchcliff defines "effective total corporate sales" as the aggregate of the effective total natural gas sales and the sales amount received from the production of light oil, condensate and NGLs. Management believes that disclosing the effective sales for each natural gas market assists management and investors in assessing Birchcliff's natural gas diversification and commodity price exposure to each market.

The most directly comparable GAAP financial measure to effective total natural gas sales and effective total corporate sales is natural gas sales. The following table provides a reconciliation of natural gas sales to effective total natural gas sales and effective total corporate sales for the periods indicated:

(\$000s)	Three months ended	
	2024	2023
Natural gas sales	79,615	99,957
Realized gain (loss) on financial instruments	12,022	(2,583)
Notional fixed basis costs ⁽¹⁾	21,490	20,802
Effective total natural gas sales	113,127	118,176
Light oil sales	17,450	15,180
Condensate sales	37,985	49,135
NGLs sales	18,679	18,977
Effective total corporate sales	187,241	201,468

(1) Reflects the aggregate notional fixed basis cost associated with Birchcliff's financial and physical NYMEX HH/AECO 7A basis swap contracts in the period.

Non-GAAP Ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. The non-GAAP ratios used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Set forth below is a description of the non-GAAP ratios used in this press release.

Adjusted Funds Flow Per Boe and Adjusted Funds Flow Per Basic Common Share

Birchcliff calculates "adjusted funds flow per boe" as aggregate adjusted funds flow in the period divided by the production (boe) in the period. Management believes that adjusted funds flow per boe assists management and investors in assessing Birchcliff's financial profitability and sustainability on a cash basis by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Birchcliff calculates "adjusted funds flow per basic common share" as aggregate adjusted funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that adjusted funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength on a per common share basis.

Free Funds Flow Per Basic Common Share

Birchcliff calculates "free funds flow per basic common share" as aggregate free funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that free funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength and its ability to deliver shareholder returns on a per common share basis.

Transportation and Other Expense Per Boe

Birchcliff calculates "transportation and other expense per boe" as aggregate transportation and other expense in the period divided by the production (boe) in the period. Management believes that transportation and other expense per boe assists management and investors in assessing Birchcliff's cost structure as it relates to its transportation and marketing activities by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Operating Netback Per Boe

Birchcliff calculates "operating netback per boe" as aggregate operating netback in the period divided by the production (boe) in the period. Operating netback per boe is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback per boe assists management and investors in assessing Birchcliff's operating profitability and sustainability by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Operating Netback Recycle Ratio

Birchcliff calculates "operating netback recycle ratio" as operating netback per boe in the period divided by F&D or FD&A costs, as the case may be, for its PDP, proved and proved plus probable reserves, as the case may be, in the period. Management believes that operating netback recycle ratio assists management and investors in assessing Birchcliff's ability to profitably find and develop its PDP, proved and proved plus probable reserves.

Net Asset Value Per Common Share

Birchcliff calculates "net asset value per common share" as the net asset value in each category of reserves divided by the aggregate of the basic common shares outstanding and in-the-money dilutive common shares attributable to stock options and performance warrants outstanding at the end of the period. Management believes that net asset value per common share assists management and investors in comparing Birchcliff's common share trading price to the underlying fair market value of its net assets on a per common share basis.

Effective Average Realized Sales Price - Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff calculates "effective average realized sales price" as effective sales, in each of total corporate, total natural gas, AECO market and NYMEX HH market, as the case may be, divided by the effective production in each of the markets during the period. Management believes that disclosing the effective average realized sales price for each natural gas market assists management and investors in comparing Birchcliff's commodity price realizations in each natural gas market on a per unit basis.

Capital Management Measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Set forth below is a description of the capital management measure used in this press release.

Total Debt

Birchcliff calculates "total debt" at the end of the period as the amount outstanding under the Corporation's Credit Facilities plus working capital deficit (less working capital surplus) plus the fair value of the current asset portion of financial instruments less the fair value of the current liability portion of financial instruments and less the current portion of other liabilities discounted to the end of the period. The current portion of other liabilities has been excluded from total debt as these amounts have not been incurred and reflect future commitments in the normal course of operations. Management believes that total debt assists management and investors in assessing Birchcliff's overall liquidity and financial position at the end of the period. The following table provides a reconciliation of the amount outstanding under the Credit Facilities, as determined in accordance with GAAP, to total debt for the periods indicated:

As at December 31, (\$000s)	2024	2023
Revolving term credit facilities	566,857	372,097
Working capital deficit (surplus) ⁽¹⁾	(88,953)	10,522
Fair value of financial instruments - asset ⁽²⁾	71,038	3,588
Fair value of financial instruments - liability ⁽²⁾ -		(1,394)
Other liabilities ⁽²⁾	(13,385)	(2,507)
Total debt	535,557	382,306

(1) Current liabilities less current assets.

(2) Reflects the current portion only.

PRESENTATION OF OIL AND GAS RESERVES

Deloitte prepared the Deloitte Report and the 2023 Deloitte Report. In addition, Deloitte prepared a reserves evaluation in respect of Birchcliff's oil and natural gas properties effective December 31, 2022. Such evaluations were prepared in accordance with the standards contained in NI 51-101 and the COGE Handbook that were in effect at the relevant time. Reserves estimates stated herein are extracted from the relevant evaluation.

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGLs (including condensate) reserves and the future net revenue attributed to such reserves. The reserves and associated future net revenue information set forth in this press release are estimates only. In general, estimates of economically recoverable oil, natural gas and NGLs reserves and the future net revenue therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves recovery, the timing and amount of capital expenditures, marketability of oil, natural gas and NGLs, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For these reasons, estimates of the economically recoverable oil, natural gas and NGLs reserves attributable to any particular group of properties, the classification of such reserves based on risk of recovery and estimates of future net revenue associated with reserves prepared by different engineers, or by the same engineer at different times, may

vary. Birchcliff's actual production, revenue, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation's reserves estimated by the Corporation's independent qualified reserves evaluator represent the fair market value of those reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. Actual oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein and variances could be material.

In this press release, unless otherwise stated all references to "reserves" are to Birchcliff's gross company reserves, meaning Birchcliff's working interest (operating or non-operating) share before the deduction of royalties and without including any royalty interests of Birchcliff.

The information set forth in this press release relating to the reserves, future net revenue and future development costs of Birchcliff constitutes forward-looking statements and is subject to certain risks and uncertainties. See "*Advisories - Forward-Looking Statements*".

Certain terms used herein but not defined are defined in NI 51-101, CSA Staff Notice 51-324 - *Revised Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* ("CSA Staff Notice 51-324") and/or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGE Handbook, as the case may be.

ADVISORIES

Unaudited Information

All financial information contained in this press release for the fourth quarter and year ended December 31, 2024 is based on unaudited estimated financial information which has been disclosed in accordance with GAAP. These estimated results have not been reviewed by the Corporation's auditor and are subject to change upon completion of the audited financial statements for the year ended December 31, 2024, and changes could be material. Birchcliff anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2024 on SEDAR+ on March 12, 2025.

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, all references to "\$" and "CDN\$" are to Canadian dollars and all references to "US\$" are to United States dollars.

Boe Conversions

Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to 1 bbl of oil. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 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. 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 on a 6:1 basis may be misleading as an indication of value.

MMBtu Pricing Conversions

\$1.00 per MMBtu equals \$1.00 per Mcf based on a standard heat value Mcf.

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry, including F&D costs, FD&A costs, reserves replacement, reserves life index, capital efficiency, operating netback, operating netback recycle ratio, net asset value and net asset value per common share, which have been determined by Birchcliff as set out below. These oil and gas metrics do not have any standardized meanings or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Birchcliff's performance over time; however, such measures are not reliable indicators of Birchcliff's future performance, which may not compare to Birchcliff's performance in previous periods, and therefore should not be unduly relied upon.

- With respect to F&D and FD&A costs:
 - F&D costs for PDP, proved or proved plus probable reserves, as the case may be, are calculated by taking the sum of: (i) exploration and development expenditures (F&D capital expenditures) incurred in the period; and (ii) where appropriate, the change during the period in FDC for the reserves category; divided by the applicable additions to the reserves category after adding back production in the period. F&D costs exclude the effects of acquisitions and dispositions.
 - FD&A costs for PDP, proved or proved plus probable reserves, as the case may be, are calculated by taking the sum of: (i) FD&A capital expenditures incurred in the period; and (ii) where appropriate, the change during the period in FDC for the reserves category; divided by the applicable additions to the reserves category after adding back production in the period.
 - In determining the F&D and FD&A costs for PDP, proved or proved plus probable reserves, as the case may be, the estimated reserves additions during the period and the change during the period in estimated FDC are based upon the evaluations of Birchcliff's reserves prepared by its independent qualified reserves evaluator effective December 31 of such year.
 - The aggregate of the F&D and FD&A capital expenditures incurred in the most recent financial year and the change during that year in estimated FDC generally will not reflect total F&D and FD&A costs related to reserves additions for that year.
 - F&D and FD&A costs may be used as a measure of the Corporation's efficiency with respect to finding and developing its reserves.
- Reserves replacement on an F&D basis is calculated by dividing PDP, proved or proved plus probable reserves additions, as the case may be, before production by the total annual production in the applicable period. Reserves replacement on an FD&A basis is calculated in the same manner as F&D reserves replacement, but include the effects of acquisitions and dispositions. Reserves replacement may be used as a measure of the Corporation's sustainability and its ability to replace its PDP, proved or proved plus probable reserves, as the case may be.
- Reserves life index is calculated by dividing PDP, proved or proved plus probable reserves, as the case may be, estimated by Deloitte at December 31, 2024, by 77,500 boe/d (which represents the mid-point of Birchcliff's annual average production guidance range for 2025) determined on an annualized basis. Reserves life index may be used as a measure of the Corporation's sustainability.
- Capital efficiency is calculated on an average well basis as drill, case, complete and equip capital expenditures divided by the IP365 boe/d for the applicable well(s). Birchcliff defines "IP365 boe/d" as the estimated average daily field production in the first 365 days a well is on-stream. Where field production data is not available for a well, Birchcliff uses the forecasted production data for that well. Capital efficiency is determined at the individual well level and then aggregated and averaged for the year. Management believes that capital efficiency assists management and investors in assessing Birchcliff's asset performance, execution and ability to generate shareholder value.
- For information regarding operating netback, operating netback recycle ratio, net asset value and net asset value per common share and how such metrics are calculated, see "*Non-GAAP and Other Financial Measures*".

Production

With respect to the disclosure of Birchcliff's production contained in this press release: (i) references to "light oil" mean "light crude oil and medium crude oil" as such term is defined in NI 51-101; (ii) references to "liquids" mean "light crude oil and medium crude oil" and "natural gas liquids" (including condensate) as such terms are defined in NI 51-101; and (iii) references to "natural gas" mean "shale gas", which also includes an immaterial amount of "conventional natural gas", as such terms are defined in NI 51-101. In addition, NI 51-101 includes condensate within the product type of natural gas liquids. In certain cases, Birchcliff has disclosed condensate separately from other natural gas liquids as the price of condensate as compared to other natural gas liquids is currently significantly higher and Birchcliff believes presenting the two commodities separately provides a more accurate description of its operations and results therefrom.

With respect to the disclosure of Birchcliff's production contained in this press release, all production

volumes have been disclosed on a "gross" basis as such term is defined in NI 51-101, meaning Birchcliff's working interest (operating or non-operating) share before the deduction of royalties and without including any royalty interests of Birchcliff.

F&D Capital Expenditures

Unless otherwise stated, references in this press release to "F&D capital expenditures" denotes exploration and development expenditures as disclosed in the Corporation's financial statements in accordance with GAAP, and is primarily comprised of capital for land, seismic, workovers, drilling and completions, well equipment and facilities and capitalized G&A costs and excludes any acquisitions, dispositions, administrative assets and the capitalized portion of cash incentive payments that have not been approved by the Board. Management believes that F&D capital expenditures assists management and investors in assessing Birchcliff's capital cost outlay associated with its exploration and development activities for the purposes of finding and developing its reserves.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this press release relate to future events or Birchcliff's future plans, strategy, operations, performance or financial position and are based on Birchcliff's current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "seek", "plan", "focus", "future", "outlook", "position", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "guidance", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should", "would", "on track", "maintain", "deliver" and other similar words and expressions.

By their nature, forward-looking statements involve 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 statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

In particular, this press release contains forward-looking statements relating to:

- Birchcliff's plans and other aspects of its anticipated future financial performance, results, operations, focus, objectives, strategies, opportunities, priorities and goals, including: Birchcliff's belief that there is significant intrinsic shareholder value embedded in Birchcliff's asset base that is not reflected in its current share price, as demonstrated by its PDP reserves net asset value per common share of \$6.35 and \$13.79 and \$18.09 per share for its proved and proved plus probable reserves, respectively; that Birchcliff's Elsworth asset provides Birchcliff with significant inventory and a large potential future development area; that Birchcliff's strategy for 2025 builds off of the operational momentum from 2024, maintaining the Corporation's focus on capital efficiency improvements and further driving down costs; that the Corporation's 2025 capital program has been designed to ensure that its capital is strategically deployed throughout the year, providing it with the flexibility to adjust its capital spending if necessary in response to the commodity price volatility expected during 2025, including as a result of the potential for U.S. and Canadian tariffs and the start-up of LNG Canada; that the unutilized credit capacity under its Credit Facilities provides Birchcliff with significant financial flexibility and available capital resources; that Birchcliff believes its ongoing strategy of maintaining significant natural gas market diversification for 2025 will continue to protect the Corporation from volatility in the North American natural gas pricing environment, including as it relates to potential tariffs; and estimates of Birchcliff's 2025 market diversification (including that approximately 41% of Birchcliff's natural gas production is physically delivered to the Dawn trading hub in Ontario and that Birchcliff has U.S. denominated financial contracts that expose approximately 35% of its natural gas production to NYMEX HH pricing on a financial basis);

- the information set forth under the heading "*Update on 2025 Capital Program*" and elsewhere in this press release regarding Birchcliff's 2025 capital program and its exploration, production and development activities and the timing thereof, including: estimates of the Corporation's 2025 F&D capital expenditures; that the wells in Birchcliff's 2025 capital program are expected to yield strong production, using the Corporation's latest field development practices and wellbore design, which incorporates longer lateral lengths, reduced stage spacing and increased proppant loading where appropriate; that the land retention well drilled and completed by the Corporation in Elsworth is not currently planned to be tied in; the targeted product types; and the expected timing for wells to be drilled, completed and brought on production;
- statements regarding U.S. and Canadian tariffs, including that the Corporation believes that Canada's over-reliance on exporting its energy into the U.S. must be addressed through the reduction of red tape and government interference in the construction of critical infrastructure such as oil and gas pipelines to the east and west coasts of Canada, LNG terminals on each coast and an increase in refining capacity within Canada, in order to diversify Canada's energy export market; and that the Corporation continues to actively monitor this situation;
- the information set forth under the heading "*2024 Year-End Reserves*" and elsewhere in this press release regarding the Corporation's reserves, including: estimates of reserves; estimates of the net present values of future net revenue associated with Birchcliff's reserves; forecasts of prices, inflation and exchange rates; FDC; reserves life index; and that the Corporation does not expect that the technical revisions relating to the 56 high-density wells drilled from 2019 to 2023 will negatively impact future reserves booked for other existing or future wells;
- the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets, including statements regarding the potential or prospectivity of Birchcliff's properties; and
- that Birchcliff anticipates filing its annual information form and audited financial statements and related management's discussion and analysis for the year ended December 31, 2024 on March 12, 2025.

Information relating to reserves is forward-looking as it involves the implied assessment, based on certain estimates and assumptions, that the reserves exist in the quantities predicted or estimated and that the reserves can profitably be produced in the future. See "*Presentation of Oil and Gas Reserves*".

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation's ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation, G&A and other expenses; Birchcliff's ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff's ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the approval of the Board of future dividends; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; the results of the Corporation's risk management and market diversification activities; and Birchcliff's natural gas market exposure. In addition to the foregoing assumptions, Birchcliff has made the following assumptions with respect to certain forward-looking statements contained in this press release:

- Birchcliff's forecast of F&D capital expenditures assumes that the Corporation's 2025 capital program will be carried out as currently contemplated and excludes any potential acquisitions, dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The amount and allocation of capital expenditures for exploration and development activities by area and the number and types of wells to be drilled and brought on production is dependent upon results achieved and is subject to review and modification by management on an ongoing basis throughout the year. Actual spending may vary due to a variety of factors, including commodity prices, economic conditions, results of operations and costs of labour, services and materials.
- With respect to estimates of reserves volumes and the net present values of future net revenue associated with Birchcliff's reserves, the key assumption is the validity of the data used by Deloitte in the Deloitte Report.

- With respect to statements regarding future wells to be drilled or brought on production, such statements assume: the continuing validity of the geological and other technical interpretations performed by Birchcliff's technical staff, which indicate that commercially economic volumes can be recovered from Birchcliff's lands as a result of drilling future wells; and that commodity prices and general economic conditions will warrant proceeding with the drilling of such wells.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of crude oil and natural gas prices; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; fluctuations in exchange and interest rates; an inability of Birchcliff to generate sufficient cash flow from operations to meet its current and future obligations; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with Birchcliff's Credit Facilities, including a failure to comply with covenants under the agreement governing the Credit Facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the risk that weather events such as wildfires, flooding, droughts or extreme hot or cold temperatures forces the Corporation to shut-in production or otherwise adversely affects the Corporation's operations; the occurrence of unexpected events such as fires, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; the risks associated with supply chain disruptions; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, revenue, costs and reserves; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; the risks posed by pandemics, epidemics and global conflict and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; stock market volatility; loss of market demand; changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry (including uncertainty with respect to the interpretation of Bill C-59 and the related amendments to the *Competition Act* (Canada)); political uncertainty and uncertainty associated with government policy changes, including the risk of U.S. tariffs on goods exported from Canada and any retaliatory tariffs implemented; actions by government authorities; an inability of the Corporation to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends, including the discretion of the Board to declare dividends and change the Corporation's dividend policy and the risk that the amount of dividends may be less than currently forecast; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry and fossil fuels; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including risks associated with cyber-attacks); risks associated with the ownership of the Corporation's securities; the accuracy of the Corporation's accounting estimates and judgments; and the risk that any of the Corporation's material assumptions prove to be materially inaccurate.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect Birchcliff's results of operations, financial performance or financial results are included in Birchcliff's annual information form and annual management's discussion and analysis for the financial year ended December 31, 2023 under the heading "Risk Factors" and in other reports filed with Canadian securities regulatory authorities.

This press release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "FOFI") about Birchcliff's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Birchcliff's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Birchcliff has included FOFI in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

Management has included the above 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 Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements and FOFI contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements and FOFI contained herein are made as of the date of this press release. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise.

ABOUT BIRCHCLIFF:

Birchcliff is an intermediate oil and natural gas company based in Calgary, Alberta with operations focused on the Montney/Doig Resource Play in Alberta. Birchcliff's common shares are listed for trading on the TSX under the symbol "BIR".

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