Pine Cliff Energy Ltd. Announces Strategic Acquisition, CDE Flow-Through and Common Share Financings and Increased 2019 Capital Spending and Production Guidance

CALGARY, Alberta, April 17, 2019 (GLOBE NEWSWIRE) -- Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Company**") (**TSX: PNE**) is pleased to announce that it has entered into an agreement to acquire oil and natural gas assets (the "**Assets**") in the Ghost Pine area of Central Alberta for net cash consideration of $8.6 million, after estimated closing adjustments (the "**Acquisition**").

The Acquisition will have an effective date of October 1, 2018 and is expected to close on or around May 31, 2019 (the "**Closing Date**"). The purchase and sale agreement related to the Acquisition, although binding between the parties, is subject to various standard conditions, including rights of first refusal and regulatory approvals. No assurances can be given that the Acquisition will be completed as proposed or at all.

Concurrently with the Acquisition, or shortly thereafter, Pine Cliff intends to close private placements of common shares (the "**Common Shares**") for gross proceeds of up to $3 million and "flow-through" common shares (within the meaning of the Income Tax Act (Canada)) (the "**Flow-Through Shares**") for gross proceeds of up to $4 million. The Acquisition is expected to be funded with working capital and the proceeds from the Common Share Private Placement, as defined below.

Acquisition Highlights

- The Assets will add significant growth opportunities in the Pekisko oil play, where Pine Cliff drilled its first oil well ("the **Initial Well**") in late 2018. Based on Pine Cliff's internal estimates, the Assets will increase Pine Cliff's development inventory to an estimated 28 gross (27 net) Pekisko oil locations from its existing eight gross (six net) Pekisko locations. The Initial Well has produced an aggregate of 20,686 barrels of oil and liquids and 79,700 thousand cubic feet of gas since it started production in January 2019, for an average production rate of 362 boe/d during the first 90 days of production. The Assets also have prospective oil locations in the Duvernay, Basal Quartz and Glauconitic formations.
- The Assets possess a predictable production profile with an approximate 7% historical decline rate and are geographically synergistic with Pine Cliff's other Ghost Pine area assets.
- The Assets currently produce approximately 1,575 Boe/d and are 75% weighted towards natural gas, 16% to natural gas liquids and 9% to oil.
- The Assets include ownership in key infrastructure including 99% ownership in a 30,000 Mcf/d gas plant, with significant excess capacity in close proximity to current Duvernay drilling activity.

Other notable attributes of the Assets are as follows:

Net Working Interest Acres	104,692 (66% working interest)
Closing adjustments (1)	$1.3 million
Estimated 2019 adjusted funds flow from the Assets (June 1 – December 31, 2019) (2)	$0.9 million
Estimated 2020 adjusted funds flow from the Assets (3)	$2.0 million

(1) Includes estimated net operating income from October 1, 2018 to May 31, 2019.

(2) June 1, 2019 – December 31, 2019 - Based on natural gas pricing of CDN$1.43/GJ AECO, crude oil pricing of US$60/bbl WTI, a 9% royalty rate (prior to gas cost allowance adjustments), $12.11 per Boe operating and transportation costs (including third party processing revenue). This is a non-GAAP measure, see "**Non-GAAP Measures**" for further information.

(3) Based on natural gas pricing of CDN$1.55/GJ AECO, crude oil pricing of US$58/bbl WTI, a 9% royalty rate (prior to gas cost allowance adjustments), $12.88 per Boe operating and transportation costs (including third party processing revenue). This is a non-GAAP measure, see "**Non-GAAP Measures**" for further information.

Acquisition Metrics

Based on the $8.6 million net purchase price of the Asset, the acquisition metrics are as follows:

Production	$5,486 per flowing Boe
Historical cash flow multiple (1)	3.5 times
Forecast cash flow multiple (2)	4.1 times

(1) Based on the estimated adjusted funds flow for the 12 months preceding the Closing Date. This is a non-GAAP measure, see "**Non-GAAP Measures**" for further information.

(2) Based on the estimated adjusted funds flow for the 12 months following the Closing Date. This is a non-GAAP measure, see "**Non-GAAP Measures**" for further information.

Strategic Rationale

For over seven years Pine Cliff has grown by acquiring low decline and low operating cost assets in an ongoing effort to enhance shareholder value. The Acquisition is another one of those purchases, and has the added advantage of materially increasing Pine Cliff's liquid weighted drilling inventory that can deliver economic rates of return at current commodity prices. Pine Cliff has attempted to buy the Assets multiple times in the past as they are strategic due to the contiguous nature of the Assets to its core Ghost Pine area. The results of the Initial Well have only added to the recent motivation for Pine Cliff to complete this strategic purchase to build a deeper inventory of high working interest, operated Pekisko locations.

Flow-Through and Common Share Equity Financings

Pine Cliff is also pleased to announce that it intends to issue, by way of non-brokered private placement, up to 13,333,333 Flow-Through Shares on a "flow-through" basis in respect of Canadian development expenses ("**CDE**") at a price of $0.30 per Flow-Through Share, resulting in gross proceeds of up to $4.0 million (the "**Flow-Through Private Placement**"). Pine Cliff shall, pursuant to the provisions of the *Income Tax Act* (Canada), incur eligible CDE after the closing date of the Flow-Through Private Placement and prior to March 30, 2020 in the aggregate amount of not less than the gross proceeds of the Flow-Through Private Placement (the "**CDE Obligation**"). The net proceeds of the Flow-Through Private Placement are expected to be used to incur eligible CDE.

Pine Cliff also intends to complete a non-brokered private placement of up to 12,000,000 Common Shares (the "**Common Share Private Placement**"), at a price of $0.25 per Common Share, for gross proceeds of up to $3 million (collectively the Common Share Private Placement and the Flow-Through Private Placement are referred to as the "**Private Placements**"). It is anticipated that certain insiders, including officers and directors of Pine Cliff, will participate in the Common Share Private Placement. The net proceeds of the Common Share Private Placement are expected to be used to partially finance the Acquisition. As a part of the Private Placements and subject to normal course closing provisions, the Alberta Investment Management Corporation has indicated that it intends to increase its shareholdings in the Company by approximately 15,000,000 Common Shares on behalf of certain of its clients.

The Flow-Through Shares and Common Shares (collectively, the "**Offered Shares**") will be offered in the provinces of Alberta, British Columbia, Ontario and Saskatchewan and such other provinces or territories of Canada as may be determined by Pine Cliff. The Offered Shares will be issued pursuant to applicable exemptions from the prospectus requirements under applicable securities laws, and will be subject to a hold period expiring four months and one day from the closing date of the Private Placements. The completion of the Private Placements are subject to certain conditions including the closing of the Acquisition and customary regulatory approvals, including the approval of the Toronto Stock Exchange.

This news release does not constitute an offer to sell or a solicitation of any offer to buy the Offered Shares in the United States. The Offered Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration under, or an applicable exemption from the registration requirements of, the U.S. Securities Act.

2019 Guidance Increases

Pine Cliff's Board of Directors has approved an increase of $1.1 million in the Pine Cliff 2019 capital budget to $11.1 million. Pine Cliff intends to spend approximately $1.9 million drilling four (0.4 net) wells in the liquids rich Edson area of Alberta, $2.8 million drilling one (1.0 net) oil well in Central Alberta, $3.9 million on facilities and major maintenance capital and $2.5 million on abandonments and reclamation. The revised 2019 capital budget is expected to meet Pine Cliff's CDE Obligation.

After taking into account the Acquisition as of the Closing Date, Pine Cliff is budgeting its 2019 annual production volumes to increase to a range of 19,250 to 19,750 Boe per day, weighted 92% to natural gas.

About Pine Cliff

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

For further information, please contact:
Philip B. Hodge – President and CEO
Cheryne Lowe – Chief Financial Officer and Corporate Secretary
Telephone: (403) 269-2289
Fax: (587) 393-1693
Email: info@pinecliffenergy.com

NON-GAAP Measures

This news release uses the terms "adjusted funds flow", "cash flow" and "operating netback" which are not recognized under International Financial Reporting Standards ("**IFRS**") and may not be comparable to similar measures presented by other companies. These measures should not be considered as an alternative to, or more meaningful than, IFRS measures including net income (loss), cash provided by operating activities, or total liabilities. The Company uses these measures to evaluate its performance, leverage and liquidity. Adjusted funds flow and cash flow is a non-Generally Accepted Accounting Principles ("**non-GAAP**") measure that represents the total of funds provided by operating activities, before adjusting for changes in non-cash working capital, and decommissioning obligations settled. Operating netback is a non-GAAP measure calculated as the Company's total revenue, less operating expenses, divided by the Boe production of the Company. Please refer to Pine Cliff's 2018 annual report for additional details regarding non-GAAP measures and their calculation.

Cautionary Statements

Certain statements contained in this news release include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. In particular, this news release contains statements regarding the operational, economic and financial impacts of the Acquisition on Pine Cliff, ability to reduce operating costs on the Assets, the potential growth opportunities on the Assets, future consolidation opportunities around the Assets, including the timing and nature thereof, future capital spending, anticipated use of the net proceeds of the Private Placements, the anticipated closing date of the Acquisition and the Private Placements, the terms of the Private Placements, the participation by insiders in the Private Placement, the expected increase in the shareholding position of the Alberta Investment Management Corporation, Pine Cliff's ability to satisfy conditions to completion of the Private Placements, the manner in which the purchase price of the Acquisition will be financed by Pine Cliff, working capital changes, maintenance capital on the Assets, success of the drilling opportunities on the Assets and the timing and nature thereof, other anticipated benefits to Pine Cliff of the Acquisition, current and future production, the closing date of the Acquisition and information regarding Pine Cliff on a *pro forma* basis assuming completion of the Acquisition. The foregoing statements assume all the conditions to completion of the Acquisition will be satisfied, regulatory approvals will be received, that there will be no changes to the assets and liabilities of Pine Cliff following the Acquisition and that the anticipated benefits of and rationale for the Acquisition will be achieved. There is no assurance that all of the conditions to the Acquisition will be met and therefore there is a risk that the Acquisition will not be completed in the form described above or at all. In the event the Acquisition does not close as presently anticipated, Pine Cliff will not realize the anticipated benefits of the Acquisition. As such, many factors could cause the performance or achievement of Pine Cliff to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Natural gas liquids and oil volumes are recorded in barrels of oil (“**Bbl**”) and are converted to a thousand cubic feet equivalent (“**Mcfe**”) using a ratio of one (1) Bbl to six (6) thousand cubic feet. Natural gas volumes recorded in thousand cubic feet (“**Mcf**”) are converted to barrels of oil equivalent (“**Boe**”) using the ratio of six (6) thousand cubic feet to one (1) Bbl. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The terms Boe or Mcfe may be misleading, particularly if used in isolation.

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 oil, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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

The TSX does not accept responsibility for the accuracy of this release.