



News Release

Pine Cliff Energy Ltd. Announces 2018 Guidance, Commodity Risk Management and 2017 Year-End Reserves

Calgary, Alberta – February 12, 2018 (GLOBE NEWSWIRE) – Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Company**") (TSX: PNE) is pleased to announce 2018 guidance, an update on its commodity risk management and 2017 year-end reserves.

2018 Guidance

Pine Cliff's Board of Directors has approved a 2018 capital budget of \$10.4 million that will be funded from cash flow at an AECO reference price of \$1.50 per Mcf for 2018. Pine Cliff intends to spend approximately \$4.0 million drilling six gross (1.2 net) wells in the liquids rich Edson area of Alberta, \$0.2 million drilling two gross (0.3 net) oil wells in the Central area, \$2.8 million on major maintenance capital, \$1.3 million on abandonments and reclamation and \$2.1 million on facility upgrades. Pine Cliff will monitor its capital spending throughout the year and may modify expenditures depending on commodity prices and marketing initiatives to target spending within cash flow.

Based on the \$4.2 million drilling capital budget, Pine Cliff is budgeting 2018 annual production volumes to range from 20,000 – 20,500 BOE per day, weighted 95% to natural gas. Pine Cliff's fourth quarter 2017 production was 21,489 BOE per day, weighted 95% to natural gas. Pine Cliff exited 2017 with production of approximately 21,340 BOE per day.

Pine Cliff will continue to consider additional opportunities to enhance its shareholders' long term value which may include further asset acquisitions, although maintaining a strong balance sheet will remain a prime focus.

Commodity Risk Management

Pine Cliff mitigates the near-term commodity price weakness in western Canadian natural gas pricing through a combination of fixed-price delivery agreements and diversifying production exposure to non-AECO markets, including Dawn, Empress and the TransGas Energy Pool ("**TEP**") in Saskatchewan.

Assuming the success of these market diversification initiatives, current 2018 forecasted revenue and production volumes are: 36% and 55% to AECO; 21% and 21% to TEP; 20% and 5% to oil and liquids; 13% and 9% to Dawn; and 10% and 10% to Empress. By diversifying to non-AECO markets, Pine Cliff is expecting to reduce the break-even on its funds flow from operations, before capital expenditures, to an AECO reference price of \$1.31 per Mcf.

Reserve Report Highlights

Pine Cliff's independent reserve report was prepared by McDaniel & Associates Limited ("**McDaniel**") in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") with the effective date of December 31, 2017.

As a result of the low natural gas prices experienced during the second half of 2017, Pine Cliff conducted a limited capital program, spending \$13.5 million (excluding acquisitions and dispositions but including \$3.5 million of major maintenance and other capital expenses) participating in 11 gross (1.8 net) non-operated drills and 29 gross recompletions. As a result of a significantly lower natural gas price forecast, and after adjusting for 2017 production, Pine Cliff's remaining reserves decreased from the previous year.

Highlights of the McDaniel reserve report include:

- Positive technical revisions of 6.7 MMBOE on a total proved plus probable basis in Pine Cliff properties due to a combination of decreased operating costs and strong performance;
- Prior to adjusting for 2017 production, total positive net changes to proved reserves were 5.1 MMBOE (9%), largely a result of improved well performance and a successful well recompletion program;
- Remaining proved reserves of 51.1 MMBOE (95% natural gas) at December 31, 2017, decreased by 2.7 MMBOE (5%) from 53.8 MMBOE (94% natural gas) at December 31, 2016;
- Prior to adjusting for 2017 production, total positive net changes to proved plus probable reserves were 4.1 MMBOE, largely a result of improved well performance;
- Remaining proved plus probable reserves of 67.2 MMBOE (94% natural gas) at December 31, 2017 decreased by 3.7 MMBOE (5%) from 70.9 MMBOE (94% natural gas) at December 31, 2016;
- Approximately 76% of total reserves are classified as proved reserves and 24% are classified as probable reserves;
- Approximately 98% of proved reserves are classified as proved developed producing;
- Net present value for proved plus probable reserves of \$240.1 million, discounted at 10%, a decrease of \$106.8 million, or 31%, from December 31, 2016, mainly as a result of decreases in the future natural gas price deck; and
- In line with Pine Cliff's historical accretive focus rather than drilling existing reserves, the McDaniel reserve report reflects a conservative future development capital program of \$69.3 million over the next five years.

Pine Cliff's Reserves

McDaniel is using a price forecast of \$2.25 and \$2.65 per Mcf for AECO natural gas and US\$58.50 and US\$58.70 per Bbl for WTI oil in 2018 and 2019 respectively.

Summary of Remaining Working Interest Reserves, as of December 31, 2017

	Light, Medium and Heavy Oil	Natural Gas and CBM	Natural Gas Liquids	BOE
Reserve Category	MBbl	MMcf	MBbl	MBOE
Proved				
Developed Producing	432.5	282,598.1	2,418.5	49,950.7
Developed Non-Producing	-	456.1	19.5	95.5
Undeveloped	31.6	5,054.3	152.7	1,026.7
Total Proved	464.1	288,108.5	2,590.7	51,072.9
Probable	207.2	89,323.0	1,050.9	16,145.3
Total Proved plus Probable	671.3	377,431.5	3,641.6	67,218.2

Summary of Net Present Values of Future Net Revenue, Before Income Taxes, as of December 31, 2017

(\$millions)	Discounted at (% per year)			
	0%	5%	10%	15%
Reserve Category				
Proved				
Developed Producing	170.2	181.4	171.6	157.1
Developed Non-Producing	0.7	0.7	0.6	0.6
Undeveloped	10.8	7.0	4.7	3.2
Total Proved	181.7	189.1	176.9	160.9
Probable	149.9	96.7	63.2	42.2
Total Proved plus Probable	331.6	285.8	240.1	203.1

Reconciliation of Gross Reserves by Principal Product Type, as of December 31, 2017

	Light, Medium, and Heavy Oil and Natural Gas Liquids		Natural Gas and Coal Bed Methane		BOE	
	Proved	Proved plus	Proved	Proved plus	Proved	Proved plus
	(MBbl)	Probable (MBbl)	(MMcf)	Probable (MMcf)	(MBOE)	Probable (MBOE)
December 31, 2016	3,337.6	4,496.3	302,540.7	398,635.4	53,801.1	70,935.5
Extension	272.1	382.7	3,889.1	5,391.7	920.3	1,281.3
Technical Revisions	(103.5)	(104.2)	45,432.3	40,806.5	7,434.1	6,697.1
Acquisitions	30.7	31.2	1,692.9	2,067.0	307.4	375.7
Change in Working Interest	33.3	29.0	2,664.8	2,651.1	477.4	470.9
Economic Factors	(104.5)	(111.2)	(23,683.9)	(27,692.8)	(4,051.8)	(4,726.7)
Total Changes	128.1	227.5	29,995.2	23,223.5	5,087.4	4,098.3
Production	(410.9)	(410.9)	(44,427.4)	(44,427.4)	(7,815.6)	(7,815.6)
December 31, 2017	3,054.8	4,312.9	288,108.5	377,431.5	51,072.9	67,218.2

About Pine Cliff

Pine Cliff is a natural gas company with a long-term view of creating shareholder value. Pine Cliff's current focus is on acquiring, developing and operating long life assets that are cash flow positive in a low commodity price environment. 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, CEO and Director
 Alan MacDonald - Interim CFO and Corporate Secretary
 Telephone: (403) 269-2289
 Email: info@pinecliffenergy.com

Website: www.pinecliffenergy.com

Cautionary statements and definitions:

The Company has not released its audited 2017 financial results, and therefore the financial figures provided herein are estimates and are unaudited.

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. Forward-looking information in this news release includes the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, ability to access sufficient capital from internal and external sources, future acquisition opportunities, including the timing and nature thereof, development of drilling and recompletion locations, including the timing and nature thereof; future capital spending, including the amount and nature thereof; expected 2018 production levels; fourth quarter 2017 production; 2017 exit production; the budgeted allocation of the capital budget; the ability to physically deliver natural gas to delivery points including Dawn, Empress, and TransGas Energy Pool ("TEP"); business strategy and outlook; and the expansion and growth of the business and operations. All such forward-looking information is based on certain assumptions and analyses made by us in light of our current experience and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may be impacted by other factors, many of which are beyond our control.

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.

The forward-looking information contained in this release is expressly qualified by this cautionary statement. This news release should not be considered a suitable source of information for readers who are unfamiliar with Pine Cliff and should not be considered in any way as a substitute for reading all of Pine Cliff's public disclosure.

Tables may not add due to rounding.

Where amounts are expressed in a BOE, natural gas volumes have been converted to barrels of oil equivalent on the basis that six Mcf of natural gas is equal to one Bbl of oil. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The term BOE may be misleading, particularly if used in isolation.

NON-GAAP Measures

This press release uses the term "funds flow from operations" which is not recognized under International Financial Reporting Standards ("IFRS") and may not be comparable to a similar measure presented by other companies. This measure should not be considered as an alternative to, or more meaningful than the IFRS measure of cash flows from operating activities. The Company uses this measure to evaluate its performance. Funds flow from operations is a non-IFRS measure that represents the cash flows provided by operating activities, before adjusting for changes in non-cash working capital, and decommissioning obligations settled.

Definitions and abbreviations

Bbl	barrel	MMbtu	millions of British thermal units
CBM	coal bed methane	Mcf	thousand cubic feet
MBbl	thousands of barrels	MMcf	million cubic feet
BOE	barrel of oil equivalent	WTI	West Texas Intermediate at Cushing Oklahoma
MBOE	thousands of barrels of oil equivalent		

As defined in NI 51-101, proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

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