



June 22, 2016

BIRCHCLIFF ENERGY LTD. INCREASES SIZE OF BOUGHT DEAL FINANCING

Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff” or the “Corporation”) (TSX: BIR) is pleased to announce that in connection with its June 21, 2016 announced bought-deal financing (“**Bought Deal Financing**”), Birchcliff has entered into an revised agreement with the syndicate of underwriters (the “**Underwriters**”), co-led by National Bank Financial Inc. (“**NBF**”), Cormark Securities Inc., GMP Securities L.P. and Scotia Capital Inc., pursuant to which the Underwriters have agreed to increase the size of the financing. Birchcliff will now issue 101,520,000 subscription receipts (“**Subscription Receipts**”) at \$6.25 per Subscription Receipt for gross proceeds of \$634.5 million (the “**Upsized Offering**”). The over-allotment option will be reduced to 6,000,000 Subscription Receipts at \$6.25 per Subscription Receipt for additional gross proceeds of up to \$37.5 million (the “**Over-Allotment Option**”), for total gross proceeds of up to \$672.0 million (collectively, the “**Brokered Financing**”).

Combining the proceeds from the Upsized Offering and the full exercise of the Over-Allotment Option with the proceeds from the previously announced non-brokered private placement of 3,000,000 Subscription Receipts by Mr. Seymour Schulich (or entities controlled by him) at \$6.25 per Subscription Receipt (the “**Concurrent Private Placement**”) would provide total gross proceeds of up to \$690.8 million to the Corporation.

The Subscription Receipts to be issued pursuant to the Brokered Financing will be distributed by way of short form prospectus in all provinces of Canada, in the United States via Rule 144A to Qualified Institutional Buyers only under the U.S. Securities Act of 1933, and on a private placement basis in the United Kingdom and certain other jurisdictions as may be agreed to by Birchcliff.

The gross proceeds from the sale of the Subscription Receipts (the “**Escrowed Funds**”) will be held in escrow pending delivery by the Corporation to NBF of a certificate to the effect that (i) all material conditions (other than the payment of the purchase price) necessary to complete the Acquisition have been satisfied or waived, (ii) the Concurrent Private Placement has been completed, and (iii) the Corporation has received all necessary regulatory and certain other approvals regarding the Brokered Financing and Concurrent Private Placement and the Acquisition (the “**Escrow Condition**”). Upon satisfaction of the Escrow Condition, the Escrowed Funds and the interest earned thereon, less the fees payable to the Underwriters, will be released to the Corporation to complete the Acquisition. On the closing of the Acquisition, each holder of Subscription Receipts will receive one common share of the Corporation (an “**Underlying Share**”) for each Subscription Receipt held, without payment of additional consideration or further action on the part of the holder. The portion of the Escrowed Funds released to the Corporation will be used to pay the purchase price for the Assets and for general corporate purposes. The balance of the purchase price for the Assets will be funded by drawing on the Corporations credit facilities.

If: (a) the Escrow Condition is not satisfied by 5:00 p.m. (Calgary time) on September 30, 2016, or such later date within 15 days of September 30, 2016 as NBF may elect; (b) the Acquisition Agreement is terminated; or (c) the Corporation has advised the Underwriters or announced to the public that it does not intend to proceed with the Acquisition (in each case, the earliest of such dates being the

“Termination Time”), holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their *pro rata* entitlement to the interest accrued on such amount.

Completion of the Brokered Financing and Concurrent Private Placement is subject to certain conditions including the receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange. The Brokered Financing and the Concurrent Private Placement are expected to close concurrently on or about July 13, 2016.

This press release is not an offer of the Subscription Receipts or Underlying Shares for sale in the United States. The Subscription Receipts and Underlying Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws. Subscription Receipts and Underlying Shares may not be offered or sold in the United States absent registration or an exemption from registration. The Subscription Receipts and Underlying Shares will not be publicly offered in the United States.

Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the original press release announcing the Bought Deal Financing dated June 21, 2016.

ADVISORIES

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information (collectively **“forward-looking information”**) within the meaning of applicable securities laws relating to the Corporation’s plans and other aspects of the Corporation’s anticipated future operations, management focus, strategies, plans, financial, operating and production results and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: completion of the Acquisition and the timing thereof; completion of the Brokered Financing and Concurrent Private Placement and the timing thereof; the exercise of the Over-allotment Option; the use of proceeds of the Brokered Financing and Concurrent Private Placement and the funding of the purchase price of the Assets. Forward-looking information typically uses words such as “anticipate”, “believe”, “project”, “expect”, “goal”, “plan”, “intend” or similar words suggesting future outcomes, statements that actions, events or conditions “may”, “would”, “could” or “will” be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning: the satisfaction of all conditions to the closing of the Brokered Financing and Concurrent Private Placement and the Acquisition and on the time frames currently contemplated.

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions, expectations or assumptions upon which they are based will occur. Although Birchcliff believes that the expectations and assumptions reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated.

Forward-looking information necessarily involves both known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated, including, but not limited to: failure to complete the Acquisition in all material respects in accordance with the Acquisition Agreement; failure to obtain, in a timely manner, regulatory, stock exchange and other required

approvals in connection with the Brokered Financing and Concurrent Private Placement and the Acquisition; and uncertainties associated with credit facilities.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the Corporation's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this press release and the Corporation disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

About Birchcliff:

Birchcliff is a Calgary, Alberta based intermediate oil and gas Corporation with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff's Common Shares and Cumulative Redeemable Preferred Shares, Series A and Series C are listed for trading on the Toronto Stock Exchange under the symbols "BIR", "BIR.PR.A" and "BIR.PR.C", respectively.

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