News Release

Pine Cliff Energy Ltd. Announces the Conclusion of the Borrowing Base Redetermination, Closing of a Private Placement and Second Quarter 2016 Results

CALGARY, Alberta, (Marketwire – August 10, 2016) - Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Company**") (**TSX: PNE**) is pleased to announce that it has completed its semi-annual borrowing base redetermination and has renewed its credit facilities with its banking syndicate of Canadian Financial Institutions (the "**Syndicate**"). In addition, Pine Cliff has closed a private placement of units ("**Units**") for gross proceeds of $30 million (the "**Private Placement**"). Pine Cliff is also pleased to announce its second quarter financial and operating results. Included in the filings were Pine Cliff's condensed consolidated interim financial statements and related management's discussion and analysis for the three and six months ended June 30, 2016 (the "**Q2-Report**"). Selected highlights are shown below and should be read in conjunction with the Q2-Report.

Borrowing Base Redetermination

The Company has entered into a Restated Credit Agreement with the Syndicate for an $85 million revolving credit facility, consisting of a $75 million revolving credit facility and a $10 million revolving operating facility (the "**Credit Facility**"). The Credit Facility has a 364 day revolving period maturing July 28, 2017 and if it is not renewed it will convert to a 1 day term loan due on July 29, 2017. Details of the Credit Facility interest can be found in the Q2-Report. The next date for Pine Cliff's borrowing base redetermination will be March 31, 2017.

Private Placement

In conjunction with the Credit Facility renewal, Pine Cliff has completed a private placement of an aggregate of 30,000 Units to Alberta Investment Management Corporation ("**AIMCo**"), on behalf of certain of its clients, at a price of $1,000 per Unit for aggregate gross proceeds of $30 million. Each Unit is comprised of: (i) one promissory note (a "**Note**") with a par value of $1,000 per Note and bearing interest at 6.75% per annum, which is payable semi-annually; and (ii) 150 common share purchase warrants ("**Warrants**"). The proceeds from the Private Placement will be used to reduce the bank indebtedness of the Company.

The Notes mature on September 30, 2020 and all or a portion of the principal amount outstanding thereunder can be repaid without penalty after one year. Pine Cliff issued 4.5 million Warrants in connection with the Private Placement, with each Warrant entitling the holder to purchase one common share of Pine Cliff for $1.38 until August 10, 2018, which reflects a 45% premium to the 10-day weighted average trading price of the common shares of the Company prior to, and including, the date of closing of the Private Placement.

Desjardins Capital Markets acted as financial advisor to Pine Cliff on the Private Placement.

Non-Core Asset Sale Update

The previously announced non-core oil asset sale for gross proceeds of $5.5 million (the "**Disposition**") is now anticipated to close on or before August 31, 2016. The proceeds of the Disposition will be used to pay down the Credit Facility.

Second Quarter 2016 Highlights

The second quarter was a difficult quarter for the industry. Pine Cliff continues to pride itself on being one of the lowest cost operators in the industry, but could not avoid having negative funds flow from operations this past quarter. Despite the difficult quarter, Pine Cliff still managed the following highlights:

- Strengthened its balance sheet, repaying $23.6 million in bank debt through the sale of the royalty assets and investments in public companies;
- Continued to be one of the lowest cost operators in the industry by maintaining low operating costs of $9.66 per BOE and reducing G&A expenses to $0.87 per Boe (a 48% decrease from the same quarter in the previous year);
- Increased production by 92% to 22,647 Boe/d (92% gas) from 11,814 Boe/d (95% gas) in the second quarter of 2015, representing a 48% increase on a basic per share basis. Despite shutting in approximately 300 boe/d of uneconomic

production and deferring non-essential repairs, production continues to perform well in all areas with an estimated corporate decline rate of approximately 10%; and
- Despite AECO pricing of $1.32 per Mcf compared to the second quarter of 2015 of $2.52 per Mcf, and without the use of hedges, minimized funds used in operations to only $3.7 million.

Outlook

Pine Cliff is proud that it reduced its Syndicate exposure by $100 million since the beginning of the second quarter without an equity issuance. At the same time, Pine Cliff added another strong investment partner, through the Private Placement to AIMCo, that shares Pine Cliff's long term view on the viability of its business model. On August 31, 2016, Pine Cliff expects its total debt to be approximately $120 million and the bank debt to be approximately $80 million after considering the previously announced $11 million subordinated debt to insiders, the Notes announced today and the proceeds from the Disposition.

As Pine Cliff enters the third quarter, natural gas prices have recovered substantially due to warmer weather and reduced drilling activity. With a corporate break-even gas price of approximately $1.75 per Mcf (before capital expenditures), Pine Cliff is again generating positive funds flow from operations. With one of the highest sensitivities to natural gas prices in the industry and with natural gas demand continuing to increase, Pine Cliff is well positioned to provide shareholders with increased exposure to a rising natural gas pricing environment.

Pine Cliff's goal has always been to deliver long term value to shareholders by acquiring operated, low decline natural gas assets with long reserve life and low operating costs. The nine acquisitions that it has executed in the last 4.5 years have put the Company in a strong position to achieve this goal. The Company's focus is the long term generation of free cash flow, and with a corporate production decline rate of approximately 10% and an extensive inventory of drilling locations, Pine Cliff believes in the sustainability of its business model for years to come.

Financial and Operating Results[1]

	Three months ended June 30		Six months ended June 30	
($000s, unless otherwise indicated)	**2016**	2015	**2016**	2015
Oil and gas sales (before royalty expense)	**20,695**	17,333	**47,925**	36,112
Cash flow from (used in) operating activities	**(4,371)**	4,182	**5,251**	13,178
Funds flow from (used in) operations [2]	**(3,655)**	5,555	**(2,257)**	11,737
Per share - Basic and Diluted ($/share)	**(0.01)**	0.02	**(0.01)**	0.05
Loss	**(25,862)**	(4,757)	**(42,039)**	(10,260)
Per share - Basic and Diluted ($/share)	**(0.08)**	(0.02)	**(0.14)**	(0.04)
Capital expenditures, excluding acquisitions	**749**	447	**4,366**	3,333
Acquisitions, after adjustments	**240**	13,304	**825**	13,691
Capital dispositions, after adjustments	**24,702**	-	**24,702**	-
Net debt [3]	**122,032**	38,405	**122,032**	38,405
Production (Boe/d)	**22,647**	11,814	**22,971**	11,918
Percent natural gas (%)	**92**	95	**92**	95
Combined sales price ($/Boe)	**10.04**	16.12	**11.46**	16.74
Operating netback ($/Boe) [4]	**(0.02)**	7.08	**1.35**	7.21
Corporate netback ($/Boe) [5]	**(1.76)**	5.19	**(0.54)**	5.46

[1] Includes results for acquisitions and excludes results for dispositions from the closing dates.

[2] Funds flow from (used in) operations is a non-IFRS measure that represents the total of funds provided by operating activities, before adjusting for changes in non-cash working capital.

[3] Net debt is a non-IFRS measure calculated as the sum of bank debt and trade and other payables less trade and other receivables, cash, prepaid expenses and deposits and investments.

[4] Operating netback is a non-IFRS measure calculated as the Company's oil and gas sales, less royalties and operating expenses, averaged over the Boe production of the Company.

[5] Corporate netback is a non-IFRS measure calculated as the Company's operating netback, less general and administrative expenses, interest and bank charges plus finance and dividend income, averaged over the Boe production of the Company.

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 long life assets that are cash flow positive in a low commodity price environment. Further information relating to Pine Cliff, including the Q2 Report, may be found on www.sedar.com as well as on Pine Cliff's website at www.pinecliffenergy.com. To request a hard copy, free of charge, please send an email to info@pinecliffenergy.com.

About Alberta Investment Management Corporation

Alberta Investment Management Corporation, AIMCo, is one of Canada's largest and most diversified institutional investment manager with more than $90 billion of assets under management. AIMCo was established on January 1, 2008 with a mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 31 pension, endowment and government funds in the Province of Alberta. For more information on AIMCo please visit www.aimco.alberta.ca.

For further information, please contact:

Philip B. Hodge – President and CEO
Cheryne Lowe – Interim CFO and Secretary
Telephone: (403) 269-2289
Fax: (403) 265-7488
Email: info@pinecliffenergy.com

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 includes, but is not limited to: oil and natural gas prices; oil and gas supply and demand; expansion and other development trends of the oil and natural gas industry; business strategy and outlook; expansion and growth of our business and operations; maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; break-even point;anticipated use of the net proceeds of the Disposition and the anticipated closing date of the Disposition; estimated approximate bank debt and estimated approximate total debt. The foregoing statements assume all the conditions, including applicable regulatory approvals and to completion of the Disposition will be satisfied. There is no assurance that all of the conditions to the Disposition will be met and therefore there is a risk that the Disposition will not be completed in the form described above or at all. In the event the Disposition does not close as presently anticipated, Pine Cliff will not realize the anticipated benefits of the Disposition. 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.

All such forward-looking information is based on certain assumptions and analyses made by us in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by Pine Cliff; and other factors, many of which are beyond the Company's control. The foregoing factors are not exhaustive.

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.

Certain information contained herein is based on Pine Cliff internal estimates. Although Pine Cliff believes such information is accurate and reliable, at this time such information has not been verified by any independent sources and Pine Cliff does not make any representations as to the accuracy of such estimates.

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

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