



News Release

Pine Cliff Energy Ltd. Completes Purchase of Debt and Security and Announces Brokered Private Placement

Purchase of Debt

Calgary, Alberta – November 12, 2012 – Pine Cliff Energy Ltd. (“Pine Cliff” or the “Company”) (TSX VENTURE: PNE) is pleased to announce that it has completed the purchase from a Canadian financial institution of all the outstanding indebtedness and liabilities owing to the institution by Skope Energy Partners (“Skope” or the “Debtor”) and all of the security documents granted by the Debtor to it (the “Debt Purchase”). The total purchase price was \$28 million.

Skope’s assets include an 80% working interest in a package of high quality, long-term, low decline producing shallow gas assets, located in southeast Alberta and southwest Saskatchewan. The properties are currently producing approximately 3,500 barrels of oil equivalent (boe) per day, weighted 100% towards natural gas. Total proved plus probable reserves associated with the properties were estimated by McDaniel and Associates to be approximately 10.5 million boe effective March 31, 2012. In addition to its oil and gas assets, as at June 30, 2012, Skope had positive working capital (excluding the debt being purchased) and significant tax pools.

Pine Cliff intends to make an application to the court to appoint a receiver to realize on its security. It is not known at this time if a receiver will be appointed or if Pine Cliff will be successful in realizing on its security.

Private Placement Financing

In connection with the Debt Purchase, Pine Cliff has entered into an engagement letter (the “Engagement Letter”) with Macquarie Private Wealth Inc. (the “Agent”) for a brokered private placement (the “Offering”) of up to 8,900,000 common shares of Pine Cliff (the “Shares”) at a price of \$0.73 per Share for gross proceeds of approximately \$6,500,000. The Agent will offer the Shares on a commercially reasonable basis and will be made available by way of private placement exemptions in Canada under National Instrument 45-106 – *Prospectus and Registration Exemptions*. The Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the TSX Venture Exchange, as well as the negotiation and execution of certain documentation, including an agency agreement between the Agent and Pine Cliff.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus one day from the date of completion of the Offering, in accordance with applicable securities legislation. The proceeds from the Offering will be used by Pine Cliff to completely pay down its credit facility that was partially used to fund a portion of the purchase price of the Debt Purchase. Accordingly, the Company would be debt free with a successful conclusion of the Offering.

About Pine Cliff

Prior to the Debt Purchase, Pine Cliff had production of approximately 1,100 boe per day (approximately 77 percent natural gas and 23 percent oil and liquids), and mineral properties in Utah, Ontario, Nunavut and the Northwest Territories. The Company is presently in the midst of a drilling program on its Utah property.

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.

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This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act of 1933 and all applicable state securities laws, or an applicable exemption from registration requirements.

Cautionary Statements

Certain statements contained in this 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 release includes, but is not limited to: management’s current expectations regarding the ability of Pine Cliff to realize on the debt and security purchased from the financial institution including, without limitation, by court appointed receiver or otherwise, the completion of the Offering and the use of proceeds therefrom. Statements relating to “reserves” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions 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 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 us; and other factors, many of which are beyond our 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.

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

This news release contains the term boe which has been calculated on the basis of six thousand cubic feet of gas to one barrel 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.

This summarized 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.

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