News Release

Pine Cliff Energy Ltd. Announces First Quarter 2017 Results

CALGARY, Alberta (Marketwire – May 10, 2017) - Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Company**") (**TSX: PNE**) is pleased to announce the filing of its first quarter financial and operating results. Included in the filings were Pine Cliff's unaudited condensed consolidated interim financial statements and related management's discussion and analysis for the three months ended March 31, 2017 (the "**Q1-Report**"). Selected highlights are shown below and should be read in conjunction with the Q1-Report.

First Quarter 2017 Highlights

Significant highlights from the first quarter of 2017 were as follows:

- generated $35.1 million of sales, 29% higher than the $27.2 million generated in the first quarter of 2016;
- generated $11.2 million ($0.04 per basic share) of funds flow from operations, compared to $1.4 million ($0.00 per basic share) in the first quarter of 2016;
- achieved production of 21,214 Boe/d (95% natural gas), only 9% lower than the 23,297 Boe/d in the first quarter of 2016, despite having sold over 600 Boe/d of production in 2016, spending only $8.4 million on capital expenditures in 2016, and short term production curtailments of approximately 250 Boe/d in the first quarter of 2017;
- paid down $11.3 million of bank debt, ending the quarter with $19.5 million in bank debt, which is $125.2 million less than the first quarter of 2016 level of $144.7 million; and
- reduced net debt by $5.3 million, ending the quarter with $58.9 million in net debt, which is 1.3 times annualized first quarter 2017 funds flow from operations and $84.7 million less than the first quarter of 2016 level of $143.6 million.

Pine Cliff continues to strive to reduce operating costs while selectively choosing drilling and optimization well locations to maintain production. At the same time, Pine Cliff continues to evaluate the many acquisition opportunities that have arisen due to the volatility of the energy markets. Most importantly, Pine Cliff continues to generate positive cash flow. This quarter the Company generated $11.2 million in funds flow from operations, while only spending $3.8 million in capital expenditures, with realized natural gas prices of $2.83 per Mcf.

Outlook

Pine Cliff's focus from inception has been to seek low operating cost assets that provide a good rate of return on capital for its shareholders. This motivation led the Company to a contrarian strategy of consolidating natural gas assets. Pine Cliff continues to believe that those assets, with the appropriate amount of attention and capital, will form the basis of a strong sustainable business that will generate cash flow for years to come and during all phases of a cyclical industry. Pine Cliff's business model was "stress tested" and validated in 2016 as the Company navigated through the lowest natural gas prices seen in Western Canada in 18 years, while keeping production relatively flat and without issuing stock. Through all of that, Pine Cliff still brought in more funds flow from operations than it spent on capital expenditures last year.

Even though Pine Cliff is now seeing the benefits of its model, the Company is still building its business. However, growth without consideration for the economic returns of that growth is not a sustainable business model. Pine Cliff makes capital allocation decisions based on what its team believes will best serve shareholders over the long-term and will continue to consider market conditions in determining where cash flow from operations is best spent. Those options include paying down debt, acquisitions, organic growth, paying a dividend and share repurchases.

Financial and Operating Results[1]

($000s, unless otherwise indicated)	Three months ended March 31, 2017	2016
Oil and gas sales (before royalties)	**35,148**	27,230
Cash flow from operating activities	**13,835**	9,622
Funds flow from operations [2]	**11,233**	1,398
Per share - Basic and Diluted ($/share) [2]	**0.04**	0.00
Earnings (Loss)	**(2,536)**	(16,177)
Per share - Basic and Diluted ($/share)	**(0.01)**	(0.05)
Capital expenditures	**3,801**	3,617
Acquisitions, after adjustments	**-**	585
Net debt [2]	**58,930**	143,587
Weighted–average common shares outstanding (000s)		
Basic and diluted	**307,076**	305,512
Production (Boe/d)	**21,214**	23,297
Percent natural gas	**95%**	92%
Combined sales price ($/Boe)	**18.41**	12.84
Operating netback ($/Boe) [2]	**7.14**	2.68
Operating netback ($ per Mcfe)[2]	**1.19**	0.45
Corporate netback ($/Boe) [2]	**5.88**	0.66
Corporate netback ($ per Mcfe) [2]	**0.98**	0.11

[1] Includes results for acquisitions and excludes results for dispositions from the closing dates.
[2] This is a non-IFRS Measure, see NON-IFRS MEASURES section for additional information.

About Pine Cliff

Pine Cliff is an Alberta based natural gas company that is focused on acquiring and developing long life assets that are cash flow positive even in a low commodity price environment. Further information relating to Pine Cliff, including the Q1-Report, may be found on www.sedar.com as well as on Pine Cliff's website at www.pinecliffenergy.com. To request a printed copy, free of charge, please send an email to info@pinecliffenergy.com.

For further information, please contact:

Philip B. Hodge – President and CEO
Cheryne A. Lowe - CFO and Corporate 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", "potential" 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, forward-looking information in 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; ability to keep production flat; ability to withstand the volatility in natural gas prices; the ability of a strong balance sheet to provide flexibility for possible acquisitions; ability to generate cash flow and free cash flow; future acquisition opportunities including Pine Cliff's ability to execute on those opportunities; future drilling opportunities and Pine Cliff's ability to generate reserves and production from those drilling opportunities; decline rate and sensitivity to natural gas prices. 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.

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

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

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.

NON-IFRS Measures

This press release uses the terms "funds flow from operations", "operating netbacks", "corporate netbacks" and "net debt" which are not recognized under 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. Funds flow from 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, and decommissioning obligations settled. Net debt is a non-IFRS measure calculated as the sum of bank debt, subordinated promissory notes at the principal amount, amounts due to related party, and trade and other payables less trade and other receivables, cash, prepaid expenses and deposits and investments. Operating netback is a non-IFRS measure calculated as the Company's total revenue, less operating expenses, divided by the Boe production of the Company. 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, divided by the Boe production of the Company. Please refer to the Q1-Report for additional details regarding non-IFRS measures and their calculation.