



News Release

Pine Cliff Energy Ltd. Announces Fourth Quarter and Annual 2014 Results

CALGARY, Alberta (Marketwire – March 19, 2015) - Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Company**”) (**TSX-V: PNE**) is pleased to announce its fourth quarter and year-end financial and operating results and the filing of its 2014 disclosure documents. Included in the Canadian filings were Pine Cliff’s annual information form (“**AIF**”), including disclosure and reports related to reserves data and other oil and gas information pursuant to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”) and its consolidated financial statements and related management’s discussion and analysis for the year ended December 31, 2014 (the “**Annual Report**”). Selected highlights are shown below and should be read in conjunction with the Annual Report.

The year 2014 was a busy time at Pine Cliff resulting in its most significant growth since the Company was revitalized in 2012. As a result of two acquisitions in the latter half of the year, Pine Cliff exited 2014 with production of approximately 12,000 Barrels of oil equivalent (“**Boe**”) per day, almost two times the 2013 exit production rate.

Highlights during the fourth quarter are as follows:

- Closed the Company’s largest transaction to date with a \$100 million acquisition of shallow natural gas assets in the Southern core area, adding approximately 5,300 Boe per day of production;
- Attained record average daily sales volumes of 12,095 Boe per day as compared to 6,810 Boe per day in the third quarter of 2014. This represents a quarter-over-quarter per basic share production growth of 55%;
- Generated record quarterly funds flow from operations of \$11.6 million (\$0.05 per share), an increase of 43% as compared to the third quarter of 2014 funds flow from operations of \$8.1 million, despite lower commodity prices. This represents a quarter-over-quarter per basic share funds flow from operations growth of 25%;
- Achieved significant growth in both proved (“**1P**”) and proved plus probable (“**2P**”) reserves in 2014. Pine Cliff’s independent reserve engineers, McDaniels and Associates Consultants Limited, assessed an increase of 80% in 1P reserves to 26 million Boe (0.11 Boe per basic share), while 2P reserves increased by 82% to 35 million Boe (0.15 Boe per basic share). This represents year-over-year 1P and 2P per basic share reserves growth of 54% and 56%, respectively;
- Exited the quarter and year with net debt of \$33.3 million and a net debt to trailing 12 months funds flow from operations ratio of 0.9:1; and
- Recognized as a TSX Venture 50 Company in 2015 and was selected as the number one oil and gas producer and fifth overall in *Alberta Venture* magazine’s 2015 Fast Growth 50 List.

A Unique Company Built to Last and be Opportunistic

Pine Cliff’s strong balance sheet, low production decline, low operating expenses and low overhead costs have positioned it to not only survive the dramatic decline in commodity prices that began in 2014, but to take advantage of the opportunities that are emerging in this environment.

The insiders of Pine Cliff are fully aligned with the Company’s shareholders and collectively hold approximately 16% of the fully diluted shares outstanding. This high personal ownership by the management team in Pine Cliff is a driving motivation for the Company to continue to be disciplined in the search for quality assets that will deliver above average long-term per share returns to the shareholders.

Financial and Operating Results

(\$000s, unless otherwise indicated)	Three months ended December 31		Year ended December 31	
	2014 ¹	2013	2014 ¹	2013 ²
Oil and gas sales	25,469	12,621	78,450	36,882
Cash flow from operating activities	13,969	6,631	37,641	16,062
Funds flow from operations ³	11,615	5,564	38,988	14,700
Basic per share (\$/share)	0.05	0.03	0.18	0.09
Diluted per share (\$/share)	0.05	0.02	0.18	0.08
Earnings	(8,929)	3,531	(1,942)	10,910
Basic per share (\$/share)	(0.04)	0.01	(0.01)	0.06
Diluted per share (\$/share)	(0.04)	0.01	(0.01)	0.06
Capital expenditures, excluding acquisitions	2,686	4,682	11,087	11,813
Capital dispositions	(300)	-	(3,229)	-
Acquisitions	135,213	(1,737)	135,213	42,250
Net debt ⁴	33,512	(13,621)	33,512	(13,621)
Production (Boe/d)	12,095	6,443	7,899	4,787
Percent natural gas (%)	94	95	95	94
Commodity sales price (\$/Boe)	22.89	21.29	27.20	21.11
Operating netback (\$/Boe) ⁵	11.74	10.91	15.20	9.70

¹ The results for the three months and year ended December 31, 2014 include the results of the Carrot Creek/Edson Asset Acquisition, as defined in the Annual Report, for the period of August 7, 2014 to December 31, 2014 and the Shallow Gas Asset Acquisition, as defined in the Annual Report, for the period of October 1, 2014 to December 31, 2014.

² The results for the three months and year ended December 31, 2013 include the results of the Skope Acquisition, as defined in the Annual Report, for the period of February 19, 2013 to December 31, 2013, the results of the Monogram Asset Acquisition, as defined in the Annual Report, for the period of July 24 to December 31, 2013 and the August 30, 2013 Additional Interests Acquisition, as defined in the Annual Report, for the period of August 30 to December 31, 2013.

³ 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.

⁴ Net debt is a non-IFRS measure calculated as sum of bank debt and trade and other payables less trade and other receivables, cash, prepaid expenses and deposits and liquid investments.

⁵ 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.

About Pine Cliff

Further information relating to Pine Cliff, including copies of the AIF and the Annual 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 request to info@pinecliffenergy.com.

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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: expected production levels; imprecision of reserve estimates; future capital expenditures, including the amount and nature thereof; oil and natural gas prices 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; and other such matters.

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.

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 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 the full report.

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