



## News Release

### **Pine Cliff Energy Ltd. Provides Operational and Management Update and Provides 2015 Guidance**

CALGARY, Alberta, (Marketwire – January 19, 2015) - Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Company**”) (TSX-V: **PNE**) is pleased to provide an operations and management update and announce its 2015 guidance.

#### **Operations Update**

Pine Cliff exited 2014 with production of approximately 12,000 barrels of oil equivalent (“**Boe**”) per day, which was also the average production for the fourth quarter, based on field estimates. During the fourth quarter of 2014, Pine Cliff closed the previously announced purchase of assets in Southern Alberta and Saskatchewan and drilled, completed and tied-in 2 gross (0.575 net) liquids rich natural gas wells in the Carrot Creek / Edson core area.

#### **Management Update**

Pine Cliff is pleased to announce the promotions of Kristi Kunec to the position of Chief Financial Officer and Corporate Secretary and Terry McNeill to the position of Chief Operating Officer, effective immediately. Ms. Kunec joined Pine Cliff in April 2012 and previously held the position of Vice President Finance. Mr. McNeill joined Pine Cliff in April 2014 as Vice President Operations.

#### **2015 Guidance**

Pine Cliff remains committed to adding assets to its portfolio and is optimistic that the current depressed commodity pricing environment may provide accretive acquisition opportunities for the Company. In light of the recent volatility and uncertainty in commodity pricing, Pine Cliff’s Board of Directors has approved a 2015 capital budget of \$10.0 million (the “**Capital Budget**”) which may be modified depending on commodity prices and wells proposed on non operated lands. Pine Cliff’s Capital Budget is designed to be flexible based on natural gas pricing and is expected to be substantially lower than the Company’s estimated 2015 funds flow from operations, based on current strip pricing, positioning Pine Cliff to continue to strengthen its balance sheet in 2015.

Pine Cliff is forecasting production volumes in 2015 to range from 11,300 to 11,800 Boe per day, representing a 48% increase (using the midpoint of Pine Cliff’s 2015 production guidance) over Pine Cliff’s 2014 production of approximately 7,800 boe per day, based on field estimates. Pine Cliff expects 2015 operating expenses to average approximately \$9.15 per Boe, royalties to average approximately 10% of revenue and general and administrative and net interest expenses to average approximately \$1.80 per Boe, for an approximate corporate breakeven natural gas price of \$2.00 per Mcf.

## **About Pine Cliff**

Further information relating to Pine Cliff may be found on [www.sedar.com](http://www.sedar.com) as well as on Pine Cliff's website at [www.pinecliffenergy.com](http://www.pinecliffenergy.com).

### **For further information, please contact:**

George F. Fink – Executive Chairman

Philip B. Hodge – President and CEO

Kristi L. Kunec – Chief Financial Officer and Corporate Secretary

Telephone: (403) 269-2289

Fax: (403) 265-7488

Email: [info@pinecliffenergy.com](mailto:info@pinecliffenergy.com)

### **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; expected funds flow from operations; expected debt levels and balance sheet strength; future capital expenditures, including the amount and nature thereof; expected operating expenses, general and administrative expenses, royalty rates and net interest expense; oil and natural gas prices and demand; expansion and other development trends of the oil and natural gas industry; availability of future acquisition opportunities and the completion of such acquisitions; business strategy and outlook; and the expansion and growth of the business and operations.

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 annual audit of our consolidated financial statements is not yet complete and accordingly all financial and production amounts represent management's estimates which are unaudited and subject to revision.

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 (“**Mcf**”) 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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