



News Release

Pine Cliff Energy Ltd. Announces its Second Quarter 2015 Results

CALGARY, Alberta (Marketwire – August 12, 2015) - Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Company**”) (TSX-V: PNE) is 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 period ended June 30, 2015 (the “**Q2-Report**”). Selected highlights are shown below and should be read in conjunction with the Q2-Report.

The depressed commodity prices experienced in the first quarter of 2015 have continued to dominate headlines in the second quarter, with year to date WTI oil averaging US\$53.29 per barrel (“Bbl”) and AECO natural gas prices averaging \$2.69 per thousand cubic feet (“Mcf”), the lowest these prices have been since Q1, 2009 and Q3, 2013, respectively. Despite this challenging environment, Pine Cliff is pleased to report that it has continued to build its platform of natural gas assets and strengthen its balance sheet. During the second quarter the Company:

- **Closed an asset acquisition at the lowest proved and probable reserve metric in the Company’s history of eight transactions.** Pine Cliff expanded its footprint in both its Southern core area and its Carrot Creek/Edson core area for \$14.1 million, prior to adjustments, or \$13,699 per flowing barrel of oil equivalent (“Boe”) and \$2.93 per proved and probable reserve Boe;
- **Generated funds flow from operations of \$5.6 million or \$0.02 per share.** This resulted in the Company having \$5.2 million of “free funds flow” after capital expenditures for the quarter of \$0.4 million, excluding acquisitions; and
- **Lowered operating costs again to \$8.44 per Boe or \$1.41 per Mcf equivalent (“Mcf”).** Initiatives in the field and head office resulted in operating cost reductions of 6% in the second quarter of 2015 as compared to the second quarter of 2014, and field netbacks in the second quarter of 2015 averaged \$7.08 per Boe or \$1.18 per Mcfe.

Pine Cliff’s second quarter 2015 production was negatively impacted as a result of interruptible service curtailments on third party pipelines, deferring an average of 465 Boe per day in the second quarter of 2015, mainly in the Southern core area. The majority of these curtailments have been lifted and Pine Cliff’s natural gas assets continue to perform with production for the latter half of July averaging 12,800 Boe per day (76,800 Mcfe per day). Had the Company not experienced the third party pipeline curtailments production would have been almost flat for the second quarter as compared to the first quarter, excluding the acquired production.

Pine Cliff continues to seek additional accretive acquisitions to enhance shareholder value through its strategy of investing in predictable, long life, low decline, operated natural gas weighted assets.

Financial and Operating Results

(\$000s, unless otherwise indicated)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Oil and gas sales	17,454	17,136	36,255	35,512
Cash flow from operating activities	4,182	7,242	13,178	17,282
Funds flow from operations ¹	5,555	9,180	11,737	19,269
Basic per share (\$/share)	0.02	0.05	0.05	0.10
Diluted per share (\$/share)	0.02	0.04	0.05	0.09
Earnings	(4,757)	2,333	(10,260)	5,302
Basic per share (\$/share)	(0.02)	0.01	(0.04)	0.03
Diluted per share (\$/share)	(0.02)	0.01	(0.04)	0.03
Capital expenditures, excluding acquisitions	447	1,990	3,333	3,110
Acquisitions, after adjustments	13,304	-	13,691	-
Net debt ²	38,405	(34,047)	38,405	(34,047)
Production (Boe per day)	11,814	6,371	11,918	6,324
Percent natural gas (%)	95	96	95	96
Commodity sales price (\$/Boe)	16.23	29.55	16.81	31.02
Operating netback (\$/Boe) ³	7.08	17.45	7.21	18.62
Corporate netback (\$/Boe) ⁴	5.19	15.85	5.46	16.84

¹ 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.

² Net debt (positive working capital) 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.

³ 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.

⁴ 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.

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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, nature and funding 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 the Company's 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 the Company; 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.

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 and Mcfe. Boe has been calculated on the basis of six Mcf of gas to one Bbl of oil. Where amounts are expressed in Mcfe, natural gas liquids and oil volumes are converted to one Mcfe using the same ratio. 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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