



News Release

Pine Cliff Energy Ltd. Announces its Third Quarter 2015 Results and Provides Management Update

CALGARY, Alberta (Marketwire – November 12, 2015) - Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Company**") (TSX-V: **PNE**) is pleased to announce its third 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 September 30, 2015 (the "**Q3-Report**"). Selected highlights are shown below and should be read in conjunction with the Q3-Report.

The industry backdrop in the third quarter of 2015 has continued to be negative, but as a company with a counter-cyclical acquisition strategy, Pine Cliff experienced its busiest quarter ever. On November 9, 2015, Pine Cliff announced entering into a highly accretive, \$185 million asset Acquisition, as defined herein. The Acquisition, is anticipated to significantly increase Pine Cliff's funds flow from operations and increase production by 90%. Pine Cliff had a very successful quarter and is pleased to report that the Company:

- Increased production per basic share by 58% as compared to the third quarter of 2014 and increased oil and gas sales volumes by 84% in the third quarter of 2015 to 12,504 barrels of oil equivalent ("**Boe**") per day (75,024 thousand cubic feet equivalent ("**Mcf**") per day) as compared to 6,810 Boe per day (40,860 Mcfe per day) in the third quarter of 2014, as a result of acquisitions completed in the last quarter of 2014 and the second quarter of 2015;
- Despite the realized price of natural gas for the quarter being only \$2.95 per thousand cubic feet ("**Mcf**") compared to \$4.29 per Mcf in 2014, Pine Cliff generated funds flow from operations of \$7.5 million (\$0.03 per share) and repaid \$4 million of bank debt with free funds flow; and
- As a result of cost reduction initiatives in the field and head office, as well as accretive acquisitions, Pine Cliff reduced operating costs on a per Boe basis by 10% to \$8.96 in the third quarter of 2015 from \$9.98 in the third quarter of 2014 and reduced general and administrative costs by 52% on a per Boe basis to \$1.08 in the third quarter of 2015 from \$2.26 in the third quarter of 2014. Pine Cliff's operating and general and administrative costs continue to be some of the lowest in the industry.

Operations and Guidance Update

Pine Cliff's third quarter 2015 production was the highest in the Company's history as a result of interruptible service curtailments on third party pipelines being removed early in the quarter, a full quarter of production from the assets acquired on May 29, 2015 and full production from approximately 80 reactivated wells in the Many Islands area of Southern Alberta. With the curtailments lifted, Pine Cliff's long life, low decline assets continued to perform consistently, with production for October averaging 12,850 Boe per day (77,100 Mcfe per day), based on field estimates. Pine Cliff is on track to meet its 2015 production guidance of 11,800 to 12,300 Boe per day (70,800 to 73,800 Mcfe per day) while reducing its capital guidance from \$10 million to \$7.5 million.

Acquisition Update

On November 9, 2015, Pine Cliff announced entering into an agreement to acquire assets in the Viking area of Central Alberta and the Ghost Pine area of Central Alberta for cash consideration of \$185 million, prior to closing adjustments (the "**Acquisition**"). The assets produce approximately 11,730 Boe per day (July 2015 average provided by the vendor) and are weighted 89% to natural gas, 7% to oil and 4% to natural gas liquids. The Acquisition will significantly increase the Company's free funds flow from operations and this transaction will add a significant amount of drilling and recompletion inventory to the Company's portfolio. The Acquisition is expected to close on or around December 11, 2015. Subsequent to closing, Pine Cliff is expected to have a combined asset production base of 23,800 Boe per day or 142,800 Mcfe per day.

Concurrent with the Acquisition, Pine Cliff announced a \$60 million bought deal financing for subscription receipts and a \$3 million private placement of common shares to some management, board members, employees and certain consultants at the same terms

as the bought deal financing. The remainder of the acquisition is expected to be financed through an expanded bank credit facility which Pine Cliff intends to pay down with our increased cash flow.

Management Update

Effective November 16, 2015, Kristi Kunec, Pine Cliff's Chief Financial Officer and Corporate Secretary will be going on a one year leave of absence. The Company will be appointing Cheryne Lowe as Interim Chief Financial Officer. Ms. Lowe is a Chartered Accountant with 14 years of experience in the oil and gas industry and most recently held the Vice President, Finance and Chief Financial Officer position at Orlen Upstream Canada Ltd. and its predecessor TriOil Resources Ltd.

Outlook

Pine Cliff's focus has been to actively seek opportunities to enhance our shareholders' long term value by acquiring operated, low decline natural gas assets with long-life reserves and low operating costs. In the last four years, the Company has transacted on nine deals from the hundreds of possible transactions that have been evaluated. The Acquisition is the largest transaction in the Company's history, at some of the lowest purchase price metrics ever achieved. Pine Cliff's management continues to believe that buying cash flow positive, low risk, low decline production at depressed commodity prices will provide a better rate of return to shareholders than drilling in the current environment.

Financial and Operating Results

(\$000s, unless otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Oil and gas sales	21,000	17,469	57,255	52,981
Cash flow from operating activities	6,617	6,390	19,795	23,672
Funds flow from operations ¹	7,507	8,104	19,268	27,373
Basic per share (\$/share)	0.03	0.04	0.08	0.14
Diluted per share (\$/share)	0.03	0.04	0.08	0.13
Earnings	(10,697)	918	(20,957)	6,220
Basic per share (\$/share)	(0.05)	0.00	(0.09)	0.03
Diluted per share (\$/share)	(0.05)	0.00	(0.09)	0.03
Capital expenditures, excluding acquisitions	2,051	5,291	5,384	8,401
Acquisitions, after adjustments	(166)	32,116	13,525	32,116
Net debt (working capital) ²	35,208	(63,503)	35,208	(63,503)
Production (Boe/d)	12,504	6,810	12,115	6,487
Percent natural gas (%)	94	94	95	95
Combined sales price (\$/Boe)	18.25	27.88	17.31	29.91
Operating netback (\$/Boe) ³	7.92	15.08	7.46	17.36
Corporate netback (\$/Boe) ⁴	6.52	12.94	5.83	15.46

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 (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 Q3 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.

For further information, please contact:

Philip B. Hodge – President and CEO

Kristi L. Kunec – CFO and Corporate Secretary

Telephone: (403) 269-2289

Fax: (403) 265-7488

Email: 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: the operational, economic and financial impacts of the Acquisition on Pine Cliff; future capital spending; anticipated use of the net proceeds of the offering and the private placement; the manner in which the purchase price of the Acquisition will be financed by Pine Cliff; the increase to the borrowing base on Pine Cliff’s syndicated credit facility; anticipated benefits to Pine Cliff of the Acquisition; current and future production; the closing date of the Acquisition; information regarding Pine Cliff on a pro forma basis assuming completion of the Acquisition; expected production levels; expected funds flow from operations 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; debt repayment; 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. The foregoing statements assume all the conditions to completion of the Acquisition will be satisfied, regulatory approvals will be received, that there will be no changes to the assets and liabilities of Pine Cliff following the Acquisition and that the anticipated benefits of and rationale for the Acquisition will be achieved. There is no assurance that all of the conditions to the Acquisition will be met and therefore there is a risk that the Acquisition will not be completed in the form described above or at all. In the event the Acquisition does not close as presently anticipated, Pine Cliff will not realize the anticipated benefits of the Acquisition.

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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