



News Release

Pine Cliff Energy Ltd. Announces Third Quarter 2012 Results

CALGARY, Alberta, (Marketwire – November 13, 2012) - Pine Cliff Energy Ltd. (Pine Cliff or the Company) (**TSX-V: PNE**) is pleased to announce its third quarter financial and operating results. Selected highlights are shown below and should be read in conjunction with the Company's condensed interim financial statements and the related management's discussion and analysis for the three and nine months ended September 30, 2012 which are available on SEDAR at www.sedar.com and on Pine Cliff's website at www.pinecliffenergy.com.

Highlights

In the third quarter of 2012, Pine Cliff:

- Achieved quarterly sales volumes of 895 barrels of oil equivalent (boe) per day, as compared to 100 boe per day in the third quarter of 2011, weighted approximately 79 percent natural gas and 21 percent oil and natural gas liquids;
- Realized funds flow from operations of \$442,000 as compared to \$82,000 in the same period of 2011;
- Recognized an operating netback of \$13.36 per boe as compared to \$15.63 per boe in the third quarter of 2011;
- Combined operations, subsequent to quarter end, with Geomark Exploration Ltd. (Geomark); and
- Announced, subsequent to quarter end, the purchase from a Canadian financial institution (the Financial Institution) of all the indebtedness of Skope Energy Partners (Skope).

Overall, Pine Cliff recorded funds flow from operations of \$422,000 in the third quarter of 2012. Funds flow from operations was positively impacted as a result of recent recoveries in the natural gas pricing environment, with the average AECO price for natural gas being more than 40% higher in September than April. Quarterly production decreased from 972 boe per day in the second quarter of 2012 to 895 boe per day in the third quarter of 2012 as a result of unscheduled third-party plant outages which impacted Pine Cliff's sour gas production in July and September. Pine Cliff's sour gas began flowing back on October 3, 2012 and although the third quarter production was impacted significantly, the production was not lost, but only deferred to future periods.

In the third quarter of 2012, we announced the planned combination of Pine Cliff's operations with those of Geomark. This transaction closed on October 19, 2012, allowing Pine Cliff to repay both its bank and related party debts in their entirety with the funds acquired from Geomark. In addition to Geomark's strong working capital position, it holds non-operated oil and gas interests in Alberta, primarily in the Harmattan area, and mineral properties in Utah, Ontario, Nunavut and the Northwest Territories. The combined entity had no debt, cash and cash equivalents of approximately \$22 million, highly liquid securities of approximately \$9 million and production capability of approximately 1,100 boe per day.

On November 12, 2012, we announced a unique transaction whereby Pine Cliff completed the purchase from a Financial Institution of all of the outstanding indebtedness and liabilities owing to the Financial Institution by Skope, as well as the related security documents, for cash consideration of \$28 million. Pine Cliff intends to make an application to the court to appoint a receiver to realize on its security. Skope owns an 80% working interest in a package of high-quality, producing, shallow gas assets in southeast Alberta and southwest Saskatchewan. Skope's current production of approximately 3,500 boe per day, weighted 100% towards natural gas, is expected to provide Pine Cliff with increased cash flow and shareholders with considerable upside should natural gas prices recover and if Pine Cliff is successful in realizing on its security. Concurrently, Pine Cliff announced plans for a brokered private placement of 8.9 million common shares at \$0.73 per share for gross proceeds of \$6.5 million (the Offering).

Looking forward to the remainder of the fourth quarter of 2012, we are excited to embark upon our winter drilling program in the Carrot Creek area, which will commence with the planned December spudding of one well (0.30 net) targeting the Rock Creek zone which we anticipate will further increase sales volumes and the company's oil and liquids weighting. Pine Cliff and its partners were able to obtain an extension on a highly-prospective expiring lease and plan to drill a well (0.25 net) on that location in 2013 after completing further technical analysis. We are also continuing Geomark's drilling program on the Kings Canyon project in Utah for which encouraging initial gold results were announced by Geomark in September 2012. We expect additional results from the drilling program to be available in early 2013.

We remain focused on innovatively pursuing additional opportunities to add value for our shareholders by acquiring high-impact assets for future growth through asset or corporate acquisitions, farm-ins or joint ventures. We believe that Pine Cliff's strong balance sheet and access to capital will allow it to act quickly and take advantage of such opportunities.

(\$000s, unless otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012 ¹	2011
Oil and gas sales	2,197	220	5,228	702
Cash flow from operating activities	246	120	1,113	337
Funds flow from operations ²	442	82	927	298
Basic per share (\$/share)	0.01	0.00	0.02	0.01
Diluted per share (\$/share)	0.01	0.00	0.02	0.01
Earnings (loss)	(472)	(74)	(209)	(160)
Basic per share (\$/share)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted per share (\$/share)	(0.01)	(0.00)	(0.00)	(0.00)
Capital expenditures including the Carrot Creek Assets	14	13	23,238	22
Net debt ³	19,161	(237)	19,161	(237)
Production (boe/d)	895	100	757	105
Percent oil and liquids (%)	21	1	22	1
Commodity sales price (\$/boe)	26.69	23.97	25.22	24.60
Operating netback (\$/boe) ⁴	13.36	15.63	12.64	16.42

¹ The results of year-to-date 2012 include the results of the Carrot Creek Assets for the period of March 1 to September 30, 2012.

² 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 interest payable.

³ Net debt is a non-IFRS measure calculated as the sum of bank debt, related party note payable and trade and other payables less trade and other receivables and cash.

⁴ Operating netback is a non-IFRS measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating expenses.

About Pine Cliff

Further information relating to Pine Cliff may be found on www.sedar.com as well as on Pine Cliff's website at www.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: management's current expectations regarding the ability of Pine Cliff to realize on the debt and security purchased from the Financial Institution including, without limitation, by court appointed receiver or otherwise; the completion of the Offering; expected cash provided by operations; 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.

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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