



August 23, 2012

PINE CLIFF AND GEOMARK ANNOUNCE EXECUTION OF EXPRESSION OF INTEREST

Pine Cliff Energy Ltd. ("**Pine Cliff**") (www.pinecliffenergy.com) (TSX Venture: PNE) and Geomark Exploration Ltd. ("**Geomark**") (www.geomark.ca) (TSX Venture: GME) are pleased to announce that they have entered into a non-binding expression of interest (the "**Expression of Interest**") for the mutual review and consideration of the feasibility of completing a possible business combination transaction involving Pine Cliff and Geomark (the "**Proposed Transaction**").

In connection with the Expression of Interest and the Proposed Transaction, Rodger A. Tourigny has been appointed as a director of Geomark. Mr. Tourigny is a chartered accountant and has approximately 40 years of experience in the resource industry serving in various management positions and sitting on the board of directors for multiple public and private companies.

The board of directors of Geomark has concurrently appointed Mr. Tourigny as the Special Committee of the board of directors of Geomark to review and evaluate the Expression of Interest and the Proposed Transaction. The board of directors of Pine Cliff has appointed Philip B. Hodge and Randy M. Jarock as the Special Committee of the board of directors of Pine Cliff to review and evaluate the Expression of Interest and the Proposed Transaction. In connection with the Proposed Transaction, Pine Cliff and Geomark have entered into a confidentiality agreement establishing certain terms and conditions upon which information will be disclosed between the parties.

Based on preliminary discussions, it is presently anticipated that the combined entity resulting from the Proposed Transaction will have no debt, approximately \$22 million of cash and cash equivalents, approximately \$9 million of liquid securities, current production of approximately 1,100 barrels of oil equivalent per day (primarily natural gas), and other oil and gas and mineral assets. The Proposed Transaction will allow the combined entity to continue its ongoing development of existing commodity assets, provide the ability to acquire additional assets and reduce existing operating and administrative expenses.

The Expression of Interest is subject to a number of conditions, including, but not limited to, completion of due diligence investigations, the negotiation and execution of a definitive agreement and board and special committee approvals being obtained. In addition, the parties have not yet determined a definitive exchange ratio. In the event that a definitive agreement is reached between the parties, it is expected to be subject to a number of conditions, including, without limitation, the receipt of all necessary shareholder, regulatory, stock exchange and other third party consents and approvals. There can be no assurance that a definitive agreement will be reached between the parties or that the Proposed Transaction will be completed as presently proposed or at all.

For Further Information:

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 or by contacting:

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Further information relating to Geomark may be found on www.sedar.com as well as on Geomark's website at www.geomark.ca or by contacting:

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Cautionary Statements

This news release contains certain statements or disclosures relating to Pine Cliff and Geomark that are based on the expectations of Pine Cliff and Geomark as well as assumptions made by and information currently available to Pine Cliff and Geomark which may constitute forward-looking information under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Pine Cliff and Geomark anticipate or expect may, or will occur in the future (in whole or in part), including the Proposed Transaction, the anticipated assets and liabilities of the combined entity, anticipated production and the anticipated benefits of the Proposed Transaction, should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "intend", or other comparable terminology. Readers are cautioned that there is no assurance that the matters referenced herein will proceed as set forth herein or at all. Many factors could cause the performance or achievement by Pine Cliff and Geomark to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include the failure to negotiate and execute a definitive agreement with respect to the Proposed Transaction, changes to the structure of the combined entity, changes to the assets and liabilities of the combined entity following the Proposed Transaction, failure to obtain necessary shareholder, regulatory, stock exchange and other third party consents and approvals, and the failure to achieve the anticipated benefits of the Proposed Transaction. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Neither Pine Cliff nor Geomark are under any duty to update any of the forward-looking statements after the date of this news release or to conform such statements to actual results or to changes in Pine Cliff's or Geomark's expectations and each of Pine Cliff and Geomark disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This news release contains the term barrels of oil equivalent (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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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