



News Release

PINE CLIFF ENERGY LTD. ENTERS INTO AN AGREEMENT TO ACQUIRE ADDITIONAL INTERESTS IN SHALLOW GAS SOUTHERN ALBERTA AND SOUTHERN SASKATCHEWAN ASSETS AND ASSUME OPERATORSHIP OF ALL INTERESTS IN THESE AREAS

Calgary, Alberta – July 17, 2013 – Pine Cliff Energy Ltd. (“**Pine Cliff**” or the “**Company**”) (TSX VENTURE: PNE) is pleased to announce that it has entered into an arm’s length purchase and sale agreement (the “**Purchase Agreement**”) to purchase (the “**Acquisition**”) additional interests in the Southern Alberta and Southern Saskatchewan properties (the “**Assets**”) that Pine Cliff had originally acquired an interest in through the acquisition of Skope Energy Inc. in February 2013. As part of the Acquisition, the current asset management agreement governing Pine Cliff’s current and additional interests in the Assets will be terminated and Pine Cliff will become the operator of the Assets. The total cash consideration for the Acquisition will be \$13.25 million, prior to any adjustments.

The Acquisition includes a further 7.38885% working interest in the Monogram unit and related infrastructure in the Province of Alberta (the “**Monogram Unit**”), a further approximate 20% working interest in the Pendor, Black Butte and Eagle Butte areas in the Province of Alberta (the “**Southern AB Assets**”) and a further approximate 18% working interest in the Vidora, Cadillac and Wymark areas in the Province of Saskatchewan (the “**Southern SK Assets**”). Upon closing, and assuming the waiver of all rights of first refusals (“**ROFRs**”) and the closing of the previously announced acquisition of a 53.8196% interest in the Monogram Unit, Pine Cliff will own a 90.7639% working interest in the Monogram Unit and an approximate 96% working interest in the Southern AB Assets and the Southern SK Assets.

The Acquisition provides Pine Cliff with operatorship of the assets located in one of its key core areas. It has always been a goal of Pine Cliff to operate and control the development in its core areas and the Acquisition achieves that goal. The termination of the current asset management agreement will result in Pine Cliff’s operating expenses being reduced by approximately \$5.6 million over the next 31 months. The decrease in operating expenses will be offset by an incremental increase to general and administrative expenses (“**G&A**”) of approximately \$2.5 million during the same time period as a direct result of increased staffing, set up and conversion costs.

The interests in the Assets being purchased produce approximately 850 barrels of oil equivalent (“**BOE**”) per day, weighted 100% towards natural gas, and are characterized by an annual production decline of approximately 14%. Subsequent to the closing of the Acquisition, Pine Cliff anticipates it will have production of approximately 6,850 BOE per day, weighted approximately 97% towards natural gas, of which approximately 5,800 BOE per day is from the Southern AB Assets, the Southern SK Assets and the Monogram Unit.

An independent reserve evaluation was prepared by McDaniel & Associates Consultants Ltd. (“**McDaniel**”) effective December 31, 2012 (the “**McDaniel Report**”) in respect of the Assets. The McDaniel Report was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”). In the McDaniel Report, McDaniel assigned 1,924,600 BOE of remaining total proved reserves and 2,357,400 BOE of remaining total proved plus probable reserves.

The Acquisition is subject to standard closing conditions, including due diligence and title review. The Acquisition has an effective date of May 1, 2013 and is subject to the satisfaction or waiver of all conditions to be set forth in the Purchase Agreement. It is currently anticipated that the closing of the Acquisition will occur on or about August 30, 2013. The cash consideration to be paid by Pine Cliff will be financed by bank debt.

For further information, please contact:

George F. Fink - Executive Chairman
Philip B. Hodge – President and CEO
Kirsten Lankester - Manager, Investor Relations

Telephone: (403) 269-2289
Email: info@pinecliffenergy.com
Website: www.pinecliffenergy.com

Cautionary Statements

Certain statements contained in this news 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 news release includes, but is not limited to: the timing and completion of the Acquisition; the method of financing the Acquisition; the satisfaction of all necessary conditions for the closing of the Acquisition; the waiver of the ROFRs; and the closing of the previously announced acquisition of a 53.8196% interest in the Monogram Unit; reserve and resource volumes associated with the Assets; expected production and declines from the Assets; pro forma production values; incremental G&A; operating expense savings; and the strategy and goals of the Company and benefits from the Acquisition. Readers are cautioned that there is no assurance that the transactions referenced herein will proceed.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our current experience 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 be impacted by other factors, many of which are beyond our control.

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 therefrom. 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.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of reserves.

As defined in NI 51-101, proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. 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.

Where amounts are expressed in a BOE or daily equivalent of BOE, natural gas volumes have been converted to BOE's on the basis that six thousand cubic feet of natural gas is equal 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.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. This 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 all of Pine Cliff's public disclosure.

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