



News Release

PINE CLIFF ENERGY LTD. ENTERS INTO AN AGREEMENT TO ACQUIRE A FURTHER INTEREST IN MONOGRAM ASSETS

Calgary, Alberta – May 27, 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 Letter of Intent to acquire (the “**Acquisition**”) an additional 53.8196% working interest in the Monogram unit and related infrastructure in the Province of Alberta (the “**Monogram Assets**”) for cash consideration of \$34 million (prior to any adjustments). The Monogram Assets are located near the City of Medicine Hat and produce dry natural gas mainly from the Milk River, Medicine Hat and Second White Specks zones. Subsequent to the closing date and assuming the waiver of all right of first refusals (“**ROFRs**”) on the Monogram Assets, Pine Cliff will own an 83.37505% working interest in the Monogram unit.

The Acquisition is subject to standard closing conditions, including due diligence, title review, required regulatory approvals, the entering into of a mutually agreeable purchase agreement (the “**Purchase Agreement**”) and approval from Pine Cliff’s board of directors. The Acquisition has an effective date of May 1, 2013 and 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 June 14, 2013. The cash consideration to be paid by Pine Cliff will initially be financed mainly by bank debt. Pine Cliff anticipates increasing its revolving demand credit facility to \$45 million concurrent with the closing of the Acquisition, of which approximately \$33 million will be drawn.

The Monogram Assets currently produce approximately 1,600 barrels of oil equivalent (“**BOE**”) per day of non-operated production, weighted 100% towards natural gas, and are characterized by a production decline of approximately 11% and operating costs of less than \$6.00 per BOE (\$1.00 per mcf, as defined below). On a combined basis, subsequent to the Acquisition, Pine Cliff anticipates it will have production of approximately 6,000 BOE per day, weighted approximately 96% towards natural gas.

An independent reserve evaluation was prepared by GLJ Petroleum Consultants (“**GLJ**”) effective December 31, 2012 (the “**GLJ Report**”) in respect of the Monogram Assets. The GLJ Report was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”). In the GLJ Report, GLJ assigned 5,040,000 BOE of remaining total proved reserves and 7,674,000 BOE of remaining total proved plus probable reserves.

The Acquisition provides Pine Cliff with a controlling interest in a strategic property in an area that is becoming a prime focus for the Company. The Monogram Assets are materially accretive to the Company on a per share basis for cash flow, reserves and production.

For further information, please contact:

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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 entering into of the Purchase Agreement, the timing and completion of the Acquisition, the method of financing the Acquisition, the terms and amount of Pine Cliff's revolving demand credit facility, the amount drawn on Pine Cliff's revolving demand credit facility, the satisfaction of all necessary conditions and regulatory approvals for the closing of the Acquisition, the waiver of the ROFRs, reserve and resource volumes associated with the Monogram Assets, expected production from the Monogram Assets, pro forma production values, the strategy 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 ("mcf") 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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