



News Release

Pine Cliff Energy Ltd. Enters into a \$15.94 Million Agreement to Acquire Core Area Assets

CALGARY, Alberta, (Marketwire – April 20, 2015) - Pine Cliff Energy Ltd. (“**Pine Cliff**”) (TSX-V: PNE) is pleased to announce that it has, in conjunction with Velvet Energy Ltd. (“**Velvet**”), entered into a purchase and sale agreement with a mid-size oil and gas producer (the “**Agreement**”) to acquire oil and natural gas assets in both of its Southern core area (“**Southern Assets**”) and its Carrot Creek/Edson core area (“**Carrot Creek/Edson Assets**”) in the Province of Alberta (collectively, the “**Assets**”) for cash consideration of \$15.94 million, prior to any adjustments (the “**Transaction**”). The cash consideration will be financed with bank debt.

The Transaction will have an effective date of February 1, 2015 and is scheduled to close on or around May 30, 2015. The Transaction is conditional upon standard industry closing conditions and no assurances can be given that the Transaction will be completed as proposed or at all.

Transaction Highlights

- The Carrot Creek/ Edson Assets possess a predictable low cost production profile, long reserve life and a geographically focused asset base contiguous with Pine Cliff’s current Carrot Creek/Edson core area. The Carrot Creek/Edson Assets produce approximately 585 barrels of oil equivalent (“**Boe**”) per day at a decline rate of 13%, are 76% weighted to natural gas, are approximately 76% operated and include ownership in key strategic infrastructure.
- The Carrot Creek/Edson Assets have multi-zone potential along with a number of potentially low risk growth opportunities, including infill drilling. The Carrot Creek/Edson Assets are characterized by liquids rich, high productivity wells and favourable royalties and operating costs.
- On the Carrot Creek/Edson Assets, Pine Cliff will be partnering with Velvet, an experienced and active driller in the area, on future drilling development on the acquired lands.
- The Southern Assets possess a predictable production profile, long reserve live and a geographically focussed asset base which is 100% weighted towards natural gas. The Southern Assets are non-operated, produce approximately 445 Boe per day at a decline rate of approximately 6%, have low operating costs and are contiguous with Pine Cliff’s current asset base.
- Subsequent to the closing of the Transaction, Pine Cliff is expected to have a combined asset base of approximately 12,800 Boe per day, weighted 95% towards natural gas, with a decline rate of less than 14%.

Key attributes of the Assets are as follows:

Production (January 2015 average provided by vendor)	1,030 Boe per day
Natural Gas Weighting	87%
Proved Reserves ⁽¹⁾	3.6 MMBoe
Proved and Probable Reserves ⁽¹⁾	4.8 MMBoe
Decline Rate	11%
Estimated Undrilled Locations	30 gross (7.2 net)
Land	131,533 gross acres (47,303 net acres)
Estimated royalty rate	15%
Estimated operating expenses	\$10.00 per Boe

(1) Based on draft reports of reserves evaluated by independent third party reserves evaluators with an effective date of December 31, 2014.

Acquisition Metrics

Based on the purchase price of the Assets of \$15.94 million, the acquisition metrics are as follows:

Production	\$15,477 per flowing Boe
Proved Reserves ⁽¹⁾	\$4.43 per Boe
Proved and Probable Reserves ⁽¹⁾	\$3.32 per Boe

(1) Based on draft reports of reserves evaluated by independent third party reserves evaluators with an effective date of December 31, 2014.

Strategic Rationale

Pine Cliff has been actively seeking accretive opportunities to enhance shareholder value by adding low cost and low decline natural gas production with drilling inventories. This Transaction is expected to provide each of these attributes.

The successful completion of the Transaction is currently expected to result in:

- Increased funds flow from operations on a per share basis, on a debt adjusted basis;
- Pine Cliff raising its 2015 production guidance at closing;
- An increase in Pine Cliff's high quality, multi-year drilling inventory; and
- Significant free cash flow which is anticipated to enable Pine Cliff the opportunity to pursue further accretive gas acquisitions and repay debt.

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. In particular, this news release contains statements regarding the operational, economic and financial impacts of the Transaction to Pine Cliff, the potential growth opportunities on the Assets, the manner in which the purchase price to the Transaction will be financed by Pine Cliff, other anticipated benefits to Pine Cliff of the Transaction, the closing date of the Transaction and information regarding Pine Cliff on a *pro forma* basis assuming completion of the Transaction. The foregoing statements assume all the conditions to completion of the Transaction will be satisfied and other required board and regulatory approvals will be received, that there will be no changes to the assets and liabilities of Pine Cliff following the Transaction and that the anticipated benefits of and rationale for the Transaction will be achieved. There is no assurance that all of the conditions to the Transaction will be met and therefore there is a risk that the Transaction will not be completed in the form described above or at all. In the event the Transaction does not close as presently anticipated, Pine Cliff will not realize the anticipated benefits of the Transaction.

As such, many factors could cause the performance or achievement of Pine Cliff to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.

In addition, statements relating to “reserves” are by their nature forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the

estimated reserves will be recovered. Pine Cliff cautions that its future oil, natural gas and natural gas liquids production, revenues, cash flows, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing and amount of future capital expenditures, and other forward-looking information is subject to all of the risks and uncertainties normally incident to the exploration for and development and production and sale of oil and gas.

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.

Certain information contained herein is based on information and internal estimates provided to Pine Cliff by the vendor of the Assets. Although Pine Cliff believes such information is accurate and reliable, at this time such information has not been verified by any independent sources and Pine Cliff does not make any representations as to the accuracy of such estimates.

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.

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