BIRCHCLIFF ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES Q1 2024 RESULTS AND UPDATED GUIDANCE AND DECLARES Q2 2024 DIVIDEND

Calgary, Alberta (May 15, 2024) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its Q1 2024 financial and operational results and updated guidance for 2024.

"We remain focused on strengthening our business and our capital efficiencies by continuously improving our well results and reducing our costs. We successfully executed our Q1 2024 capital program, drilling 11 wells and bringing five wells on production utilizing our latest completions design. The five wells brought on production in the quarter have exceeded our internal projections, with strong initial production rates that contributed to our solid quarterly average production of 75,402 boe/d. In Q1 2024, we also completed the drilling of a 4-well and 2-well pad in Gordondale, which targeted light oil and liquids-rich natural gas to benefit from strong liquids pricing. As a result of the outperformance of the wells brought on production year-to-date, we are adjusting our capital program for the balance of 2024 to remove two natural gas wells from our remaining 13-well program, while maintaining our previous 2024 production guidance of 74,000 to 77,000 boe/d. Some capital was allocated towards various strategic exploration-related investments in Q1 2024. In addition, we have reallocated capital to Q4 2024 in order to prepare us for the efficient execution of our 2025 capital program. As a result, we are maintaining our previous 2024 F&D capital expenditures guidance of $240 million to $260 million," commented Chris Carlsen, President and Chief Executive Officer of Birchcliff.

"Although natural gas prices are forecasted to remain challenged through the middle part of 2024, we remain bullish on the long-term outlook for natural gas and we expect prices to improve due to the anticipated increased demand from the start-up of various LNG projects in North America and gas-fired power generation. In the current commodity price environment, we are committed to maintaining a strong balance sheet, the development of our world-class Montney asset base and shareholder returns. In alignment with our commitment to maintain a strong balance sheet, we are continuing to target a total debt to forward annual adjusted funds flow ratio of less than 1.0 times in the long-term. We will continue to closely monitor commodity prices and will adjust our business and activities as required."

Q1 2024 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Achieved average production of 75,402 boe/d (82% natural gas, 6% condensate, 10% NGLs and 2% light oil).
- Generated adjusted funds flow[(1)] of $66.1 million, or $0.25 per basic common share[(2)], and cash flow from operating activities of $65.3 million.
- Reported a net loss to common shareholders of $15.0 million, or $0.06 per basic common share.
- Total debt[(3)] at March 31, 2024 was $443.4 million.
- Birchcliff's market diversification contributed to an average realized natural gas sales price of $2.61/Mcf, which represented a 26% premium to the average benchmark AECO 7A Monthly Index price in Q1 2024.
- Birchcliff drilled 11 (11.0 net) wells and brought 5 (5.0 net) wells on production. F&D capital expenditures were $102.8 million in the quarter, which included unbudgeted strategic exploration-related investments.

(1) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

- The wells brought on production at the Corporation's 5-well 04-30 pad in Pouce Coupe have shown strong initial production rates, with an average per well IP 30 rate of 1,615 boe/d (9,586 Mcf/d of raw natural gas and 18 bbls/d of condensate).[(4)]

Birchcliff's unaudited interim condensed financial statements for the three months ended March 31, 2024 and related management's discussion and analysis will be available on its website at www.birchcliffenergy.com and on SEDAR+ at www.sedarplus.ca.

DECLARATION OF Q2 2024 QUARTERLY DIVIDEND

- Birchcliff's board of directors (the "**Board**") has declared a quarterly cash dividend of $0.10 per common share for the quarter ending June 30, 2024.
- The dividend will be payable on June 28, 2024 to shareholders of record at the close of business on June 14, 2024. The ex-dividend date is June 13, 2024. The dividend has been designated as an eligible dividend for the purposes of the *Income Tax Act* (Canada).

EXTENSION OF CREDIT FACILITIES

- Subsequent to the end of Q1 2024, Birchcliff's syndicate of lenders completed its regular semi-annual review of the borrowing base limit under the Corporation's extendible revolving credit facilities (the "**Credit Facilities**").
- In connection therewith, the agreement governing the Credit Facilities was amended effective May 6, 2024 to extend the maturity dates of each of the syndicated extendible revolving term credit facility and the extendible revolving working capital facility from May 11, 2025 to May 11, 2027. In addition, the lenders confirmed the borrowing base limit at $850 million. The Credit Facilities do not contain any financial maintenance covenants.

ANNUAL MEETING OF SHAREHOLDERS

- Birchcliff's annual meeting of shareholders is scheduled to take place tomorrow, Thursday, May 16, 2024, at 3:00 p.m. (Mountain Daylight Time) in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta.

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. For further information regarding the forward-looking statements and forward-looking information contained herein, see "Advisories – Forward-Looking Statements". With respect to the disclosure of Birchcliff's production contained in this press release, see "Advisories – Production". In addition, this press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" as such terms are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("**NI 52-112**"). Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and might not be comparable to similar financial measures disclosed by other issuers. For further information regarding the non-GAAP and other financial measures used in this press release, see "Non-GAAP and Other Financial Measures".*

(4) See *"Advisories – Initial Production Rates".*

Q1 2024 UNAUDITED FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended March 31, 2024	Three months ended March 31, 2023
OPERATING		
Average production		
Light oil *(bbls/d)*	1,525	2,088
Condensate *(bbls/d)*	4,765	5,358
NGLs *(bbls/d)*	7,397	3,288
Natural gas *(Mcf/d)*	370,288	383,145
Total *(boe/d)*	**75,402**	**74,592**
Average realized sales prices *(CDN$)*(1)		
Light oil *(per bbl)*	95.24	105.69
Condensate *(per bbl)*	100.26	105.88
NGLs *(per bbl)*	27.59	36.69
Natural gas *(per Mcf)*	2.61	3.68
Total *(per boe)*	**23.80**	**31.07**
NETBACK AND COST *($/boe)*		
Petroleum and natural gas revenue(1)	23.80	31.08
Royalty expense	(2.11)	(4.37)
Operating expense	(3.85)	(3.95)
Transportation and other expense(2)	(4.99)	(5.31)
Operating netback(2)	**12.85**	**17.45**
G&A expense, net	(1.28)	(1.41)
Interest expense	(1.13)	(0.47)
Realized loss on financial instruments	(0.82)	(2.36)
Other cash income	0.01	0.01
Adjusted funds flow(2)	**9.63**	**13.22**
Depletion and depreciation expense	(8.56)	(8.26)
Unrealized loss on financial instruments	(3.28)	(12.43)
Other expenses(3)	(0.52)	(0.56)
Deferred income tax recovery	0.54	1.69
Net loss to common shareholders	**(2.19)**	**(6.34)**
FINANCIAL		
Petroleum and natural gas revenue *($000s)*(1)	163,304	208,647
Cash flow from operating activities *($000s)*	65,255	111,330
Adjusted funds flow *($000s)*(4)	66,081	88,737
Per basic common share *($)*(2)	0.25	0.33
Free funds flow *($000s)*(4)	(36,692)	(26,302)
Per basic common share *($)*(2)	(0.14)	(0.10)
Net loss to common shareholders *($000s)*	(15,035)	(42,548)
Per basic common share *($)*	(0.06)	(0.16)
End of period basic common shares *(000s)*	268,578	266,987
Weighted average basic common shares *(000s)*	267,905	266,447
Dividends on common shares *($000s)*	26,857	53,392
F&D capital expenditures *($000s)*(5)	102,773	115,039
Total capital expenditures *($000s)*(4)	103,484	115,659
Revolving term credit facilities *($000s)*	428,566	191,426
Total debt *($000s)*(6)	443,380	217,927

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Includes non-cash items such as compensation, accretion, amortization of deferred financing fees and other gains and losses.

(4) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(5) See *"Advisories – F&D Capital Expenditures"*.

(6) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

OUTLOOK AND GUIDANCE

Updated 2024 Capital Program

- Birchcliff made the strategic decision earlier in the year to delay the drilling of 13 (13.0 net) wells until late Q2 and into Q3 2024 in order to provide it with the flexibility to further adjust its 2024 capital program. Following a comprehensive review of its program, Birchcliff has made the following adjustments:
  - Removed 2 (2.0 net) natural gas wells from its drilling program that were originally scheduled to be drilled in Q2 2024 and brought on production in Q4 2024. Birchcliff now plans to bring on production a total of 27 (27.0 net) wells in 2024 (previously 29 (29.0 net) wells). See *"Operational Update".*
  - Notwithstanding the removal of these two wells, Birchcliff is maintaining its previous production guidance for 2024 at 74,000 to 77,000 boe/d as a result of the outperformance of the 10 wells brought on production year-to-date.
  - In order to prepare for the efficient execution of its 2025 capital program, Birchcliff plans to complete the drilling of 2 (2.0 net) wells in Q4 2024. These wells are planned to be brought on production in Q1 2025, when natural gas prices are forecast to be higher. Capital will also be allocated towards the drilling of various surface holes, pad-site construction and other activities in preparation for the 2025 capital program. Birchcliff expects to invest approximately $10.0 million in Q4 2024 in connection with such activities. In Q1 2024, the Corporation also allocated capital towards various strategic exploration-related investments. As a result, the Corporation is maintaining its previous 2024 F&D capital expenditures guidance of $240 million to $260 million.
- Birchcliff is continuing to monitor potential drought conditions in Alberta. The Corporation has the necessary water storage and infrastructure in place to allow it to execute on the remainder of its 2024 capital program.
- In the second half of the year, Birchcliff will continue to evaluate further investment in Elmworth that is not currently contemplated in its 2024 capital program in order to protect, optimize and further its long-term development strategy of this asset.

Updated 2024 Guidance

- As noted above, Birchcliff is maintaining its 2024 annual average production guidance of 74,000 to 77,000 boe/d and its 2024 F&D capital expenditures guidance of $240 million to $260 million.
- The Corporation is lowering its 2024 guidance for adjusted funds flow and free funds flow to reflect a lower commodity price forecast for natural gas in 2024, as well as its Q1 2024 results.
- Lower anticipated adjusted funds flow in 2024 is expected to result in higher total debt at year-end 2024 than previously forecast.
- The Corporation is lowering its 2024 guidance for transportation and other expense per boe as a result of marketing gains recorded in Q1 2024.

The following tables set forth Birchcliff's updated and previous guidance and commodity price assumptions for 2024, as well as its free funds flow sensitivity:

	Updated 2024 guidance and assumptions – May 15, 2024(1)	Previous 2024 guidance and assumptions – January 17, 2024
Production		
Annual average production *(boe/d)*	74,000 – 77,000	74,000 – 77,000
% Light oil	3%	3%
% Condensate	6%	6%
% NGLs	10%	10%
% Natural gas	81%	81%
Average Expenses *($/boe)*		
Royalty	2.30 – 2.50	2.30 – 2.50
Operating	3.85 – 4.05	3.85 – 4.05
Transportation and other(2)	5.30 – 5.50	5.50 – 5.70
Adjusted Funds Flow *(millions)*(3)	$270	$340
F&D Capital Expenditures *(millions)*	$240 – $260	$240 – $260
Free Funds Flow *(millions)*(3)	$10 – $30	$80 – $100
Annual Base Dividend *(millions)*	$107(4)	$107
Total Debt at Year End *(millions)*(5)	$465 – $485	$405 – $425
Natural Gas Market Exposure		
AECO exposure as a % of total natural gas production	17%(6)	17%
Dawn exposure as a % of total natural gas production	44%(6)	44%
NYMEX HH exposure as a % of total natural gas production	37%(6)	37%
Alliance exposure as a % of total natural gas production	2%(6)	2%
Commodity Prices		
Average WTI price *(US$/bbl)*	82.50(7)	75.00
Average WTI-MSW differential *(CDN$/bbl)*	6.00(7)	5.45
Average AECO price *(CDN$/GJ)*	2.05(7)	2.50
Average Dawn price *(US$/MMBtu)*	2.15(7)	2.80
Average NYMEX HH price *(US$/MMBtu)*	2.40(7)	3.00
Exchange rate *(CDN$ to US$1)*	1.36(7)	1.33

Forward eight months' free funds flow sensitivity(7)(8)	Estimated change to 2024 free funds flow *(millions)*
Change in WTI US$1.00/bbl	$2.4
Change in NYMEX HH US$0.10/MMBtu	$4.4
Change in Dawn US$0.10/MMBtu	$5.4
Change in AECO CDN$0.10/GJ	$1.2
Change in CDN/US exchange rate CDN$0.01	$2.8

(1) Birchcliff's guidance for its production commodity mix, adjusted funds flow, free funds flow, total debt and natural gas market exposure in 2024 is based on an annual average production rate of 75,500 boe/d in 2024, which is the mid-point of Birchcliff's annual average production guidance range for 2024. For further information regarding the risks and assumptions relating to the Corporation's guidance, see *"Advisories – Forward-Looking Statements"*.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(4) Assumes that an annual base dividend of $0.40 per common share is paid and that there are approximately 269 million common shares outstanding, with no special dividends paid. The declaration of future dividends is subject to the approval of the Board and is subject to change.

(5) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

(6) Birchcliff's natural gas market exposure for 2024 takes into account its outstanding financial basis swap contracts.

(7) Birchcliff's updated commodity price and exchange rate assumptions and free funds flow sensitivity for 2024 are based on anticipated full-year averages, which include settled benchmark commodity prices and the CDN/US exchange rate for the period from January 1, 2024 to April 30, 2024.

(8) Illustrates the expected impact of changes in commodity prices and the CDN/US exchange rate on the Corporation's updated forecast of free funds flow for 2024, holding all other variables constant. The sensitivity is based on the updated commodity price and exchange rate assumptions set forth in the table above. The calculated impact on free funds flow is only applicable within the limited range of change indicated. Calculations are performed independently and may not be indicative of actual results. Actual results may vary materially when multiple variables change at the same time and/or when the magnitude of the change increases.

Changes in assumed commodity prices and variances in production forecasts can have an impact on the Corporation's forecasts of adjusted funds flow and free funds flow and the Corporation's other guidance, which impact could be material. In addition, any acquisitions or dispositions completed over the course of 2024 could have an impact on Birchcliff's 2024 guidance and assumptions set forth herein, which impact could be material. For further information, see *"Advisories – Forward-Looking Statements".*

Q1 2024 FINANCIAL AND OPERATIONAL RESULTS

Production

- Birchcliff's production averaged 75,402 boe/d in Q1 2024, a 1% increase from Q1 2023. The increase was primarily as a result of the strong performance of the Corporation's capital program and the successful drilling of new Montney/Doig wells brought on production since Q1 2023, including Birchcliff's new 5-well 04-30 pad brought on production in Pouce Coupe in Q1 2024. Production was also positively impacted by higher NGLs production in Q1 2024, partially offset by natural production declines. Birchcliff's NGLs production in Q1 2023 was negatively impacted by an unplanned system outage on Pembina's Northern Pipeline system (the "**Pembina Outage**"), which reduced the Corporation's NGLs sales volumes in that period.
- Liquids accounted for 18% of Birchcliff's total production in Q1 2024 as compared to 14% in Q1 2023. The increase was primarily due to higher NGLs production in Q1 2024. Birchcliff's liquids production weighting in Q1 2023 was negatively impacted by the Pembina Outage, which reduced the Corporation's NGLs sales volumes in that period.

Adjusted Funds Flow and Cash Flow From Operating Activities

- Birchcliff's adjusted funds flow was $66.1 million in Q1 2024, or $0.25 per basic common share, a 26% and 24% decrease, respectively, from Q1 2023.
- Birchcliff's cash flow from operating activities was $65.3 million in Q1 2024, a 41% decrease from Q1 2023.
- The decreases were primarily due to lower natural gas revenue, which was largely impacted by a 29% decrease in the average realized sales price Birchcliff received for its natural gas production in Q1 2024 as compared to Q1 2023. The decreases were partially offset by a lower realized loss on financial instruments and a decrease in royalty expense in Q1 2024 as compared to Q1 2023.

Net Loss to Common Shareholders

- Birchcliff reported a net loss to common shareholders of $15.0 million in Q1 2024, or $0.06 per basic common share, as compared to a net loss to common shareholders of $42.5 million and $0.16 per basic common share in Q1 2023.
- The lower net loss to common shareholders was primarily due to a lower unrealized loss on financial instruments of $22.5 million in Q1 2024 as compared to $83.4 million in Q1 2023, partially offset by lower adjusted funds flow.

Debt and Credit Facilities

- Total debt at March 31, 2024 was $443.4 million, a 103% increase from March 31, 2023.
- At March 31, 2024, Birchcliff had a balance outstanding under its Credit Facilities of $430.2 million (March 31, 2023: $194.7 million) from available Credit Facilities of $850.0 million (March 31, 2023: $850.0 million), leaving the Corporation with $419.8 million (49%) of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized deferred financing fees.

Natural Gas Market Diversification

- Birchcliff's physical natural gas sales exposure consists of the AECO, Dawn and Alliance markets. In addition, the Corporation has various financial instruments outstanding that provide it with exposure to NYMEX HH pricing.

The following table sets forth Birchcliff's effective sales, production and average realized sales price for natural gas and liquids for Q1 2024, after taking into account the Corporation's financial instruments:

Three months ended March 31, 2024						
	Effective sales (CDN$000s)	Percentage of total sales (%)	Effective production (per day)	Percentage of total natural gas production (%)	Percentage of total corporate production (%)	Effective average realized sales price (CDN$)
Market						
AECO(1)(2)	15,958	9	72,565 Mcf	19	16	2.42/Mcf
Dawn(3)	45,198	26	161,667 Mcf	44	36	3.07/Mcf
NYMEX HH(1)(4)	39,715	22	136,056 Mcf	37	30	3.21/Mcf
Total natural gas(1)	**100,871**	**57**	**370,288 Mcf**	**100**	**82**	**2.99/Mcf**
Light oil	13,219	7	1,525 bbls		2	95.24/bbl
Condensate	43,477	25	4,765 bbls		6	100.26/bbl
NGLs	18,568	11	7,397 bbls		10	27.59/bbl
Total liquids	**75,264**	**43**	**13,687 bbls**		**18**	**60.43/bbl**
Total corporate(1)	**176,135**	**100**	**75,402 boe**		**100**	**25.67/boe**

(1) Effective sales and effective average realized sales price on a total natural gas and total corporate basis and for the AECO and NYMEX HH markets are non-GAAP financial measures and non-GAAP ratios, respectively. See *"Non-GAAP and Other Financial Measures".*

(2) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. All of Birchcliff's short-term physical Alliance sales and production during Q1 2024 received AECO premium pricing and have therefore been included as effective sales and production in the AECO market.

(3) Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 GJ/d of natural gas on TransCanada PipeLines' Canadian Mainline, whereby natural gas is transported to the Dawn trading hub in Southern Ontario.

(4) NYMEX HH sales and production include financial NYMEX HH/AECO 7A basis swap contracts for an aggregate of 147,500 MMBtu/d at an average contract price of NYMEX HH less US$1.12/MMBtu during Q1 2024.

Birchcliff's effective average realized sales price for NYMEX HH of CDN$3.21/Mcf (US$2.19/MMBtu) was determined on a gross basis before giving effect to the average NYMEX HH/AECO 7A fixed contract basis differential price of CDN$1.64/Mcf (US$1.12/MMBtu) and includes any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q1 2024.

After giving effect to the NYMEX HH/AECO 7A fixed contract basis differential price and including any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q1 2024, Birchcliff's effective average realized net sales price for NYMEX HH was CDN$1.57/Mcf (US$1.07/MMBtu) in Q1 2024.

The following table sets forth Birchcliff's physical sales, production, average realized sales price, transportation costs and natural gas sales netback by natural gas market for the periods indicated, before taking into account the Corporation's financial instruments:

Three months ended March 31, 2024							
Natural gas market	**Natural gas sales(1)** (CDN$000s)	**Percentage of natural gas sales** (%)	**Natural gas production** (Mcf/d)	**Percentage of natural gas production** (%)	**Average realized natural gas sales price(1)** (CDN$/Mcf)	**Natural gas transportation costs(2)** (CDN$/Mcf)	**Natural gas sales netback(3)** (CDN$/Mcf)
AECO	38,639	44	195,141	53	2.19	0.40	1.79
Dawn	45,198	51	161,667	44	3.07	1.41	1.66
Alliance(4)	4,185	5	13,480	3	3.41	-	3.41
Total	**88,022**	**100**	**370,288**	**100**	**2.61**	**0.83**	**1.78**
Three months ended March 31, 2023							
Natural gas market	**Natural gas sales(1)** (CDN$000s)	**Percentage of natural gas sales** (%)	**Natural gas production** (Mcf/d)	**Percentage of natural gas production** (%)	**Average realized natural gas sales price(1)** (CDN$/Mcf)	**Natural gas transportation costs(2)** (CDN$/Mcf)	**Natural gas sales netback(3)** (CDN$/Mcf)
AECO	66,352	52	210,309	55	3.53	0.45	3.08
Dawn	55,292	44	157,375	41	3.90	1.54	2.36
Alliance(4)	5,178	4	15,461	4	3.72	-	3.72
Total	**126,822**	**100**	**383,145**	**100**	**3.68**	**0.88**	**2.80**

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Reflects costs to transport natural gas from the field receipt point to the delivery sales trading hub.

(3) Natural gas sales netback denotes the average realized natural gas sales price less natural gas transportation costs.

(4) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. Alliance sales are recorded net of transportation tolls.

Capital Activities and Investment

- In Q1 2024, Birchcliff drilled 11 (11.0 net) wells and brought 5 (5.0 net) wells on production, with F&D capital expenditures of $102.8 million.

The following table sets forth the wells that were drilled and brought on production in the quarter:

		Drilled	On production
Pouce Coupe			
	04-30 pad(1)	0	5
	16-17 pad	5	0
Gordondale			
	02-27 pad	2	0
	01-10 pad	4	0
	TOTAL	**11**	**5**

(1) The five wells drilled on the 04-30 pad were drilled in December 2023.

OPERATIONAL UPDATE

Updated Capital Program

- As previously discussed, Birchcliff removed 2 (2.0 net) wells from its drilling program that were originally scheduled to be drilled in Q2 2024 and brought on production in Q4 2024.
  - The Corporation had initially planned to drill and bring on production a 7-well pad in Pouce Coupe (5 Montney D1 wells and 2 Montney C wells). As a follow-up to the strong results achieved pursuant to the Corporation's drilling program year-to-date, Birchcliff has substituted the previously planned 7-well pad for its 5-well 10-22 pad in South West Pouce Coupe. This 5-well pad will target wells in the Lower Montney and is anticipated to be drilled in Q3 2024 and brought on production in Q4 2024.
  - In order to prepare for the efficient execution of its 2025 capital program, Birchcliff plans to complete the drilling of 2 (2.0 net) wells in Q4 2024 as part of a 5-well pad in Pouce Coupe (the 04-05 pad). These wells are planned to be drilled in the Lower Montney and brought on production in Q1 2025.
- Year-to-date, the Corporation has drilled 11 (11.0 net) wells and brought 10 (10.0 net) wells on production.

The following table sets forth the wells that are part of the Corporation's updated full-year 2024 drilling program, including the remaining wells to be drilled and brought on production in 2024:

		Number of wells to be brought on production in 2024	Number of wells on production as at May 15, 2024	Number of wells to be drilled in 2024	Number of wells drilled as at May 15, 2024
Pouce Coupe					
04-30 (5-well pad)(1)	Montney D1	5	5	0(2)	0(2)
16-17 (5-well pad)(1)	BD/UM	1	0	1	1
	Montney D1	3	3	3	3
	Montney D4	1	0	1	1
16-15 (6-well pad)(1)	Montney D1	6	0	6	0
10-22 (5-well pad)(1)	Montney D1	5	0	5	0
04-05 (5-well pad)(1)	Montney D1	0(3)	0(3)	2	0
Gordondale					
02-27 (2-well pad)(1)	Montney D1	1	1	1	1
	Montney D2	1	1	1	1
01-10 (4-well pad)(1)	Montney D1	4	0	4	4
	TOTAL	**27**	**10**	**24**	**11**

(1) All wells are natural gas wells, except for the 4-well 01-10 pad, which is targeting light oil wells.

(2) The five wells drilled on the 04-30 pad were drilled in December 2023.

(3) It is currently anticipated that these wells will be brought on production in Q1 2025.

Pouce Coupe

- Birchcliff completed the drilling of its 5-well 04-30 pad in December 2023. This pad was completed using the Corporation's latest completions design, which incorporated reduced stage spacing and increased proppant loading.
- Initial production and flowback operations commenced in late January 2024 and the wells were turned over to production through Birchcliff's permanent facilities in late February 2024. The pad was drilled in the Lower Montney targeting high-rate natural gas. The wells continue to show strong production rates exhibiting low declines as highlighted in the table below, which summarizes the aggregate and average production rates for the wells from the pad:

5-Well 04-30 Pad IP Rates

	Wells: IP 30(1)	Wells: IP 60(1)
Aggregate production rate *(boe/d)*	**8,076**	**7,469**
Aggregate natural gas production rate *(Mcf/d)*	47,928	44,385
Aggregate condensate production rate *(bbls/d)*	88	71
Average per well production rate *(boe/d)*	**1,615**	**1,538**
Average per well natural gas production rate *(Mcf/d)*	9,586	8,877
Average per well condensate production rate *(bbls/d)*	18	14
Condensate-to-gas ratio *(bbls/MMcf)*	**1.8**	**1.6**

(1) Represents the cumulative volumes for each well measured at the wellhead separator for the 30 or 60 days (as applicable) of production immediately after each well was considered stabilized after producing fracture treatment fluid back to surface in an amount such that flow rates of hydrocarbons became reliable. The natural gas volumes represent raw natural gas volumes as opposed to sales gas volumes. See *"Advisories – Initial Production Rates".*

- Birchcliff completed the drilling of its 5-well 16-17 pad in February 2024. Three of the wells were turned over to production through Birchcliff's permanent facilities in April 2024 and the remaining two wells are expected to be turned over to production in late May 2024. The pad targeted condensate-rich natural gas, with three wells in the Lower Montney and two wells in the Upper Montney. As the wells on these pads have not yet produced for over 60 days, Birchcliff anticipates providing further details regarding the results of these wells with the release of its Q2 2024 results.
- Birchcliff expects to commence the drilling of its 6-well 16-15 pad in Q3 2024, with the pad expected to be brought on production in Q4 2024. This pad will target wells in the Lower Montney.

Gordondale

- Birchcliff completed the drilling of its 2-well 02-27 pad in March 2024 and the wells were turned over to production through Birchcliff's permanent facilities in late April 2024. This pad targeted liquids-rich natural gas wells in the Lower Montney.
- Birchcliff completed the drilling of its 4-well 01-10 pad in March 2024. Flowback operations have commenced and the wells are expected to be turned over to production in late May 2024. This pad targeted light oil wells in the Lower Montney.
- Birchcliff anticipates providing the results of these wells with the release of its Q2 2024 results.

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
ATP	Alliance Trading Pool
bbl	barrel
bbls	barrels
bbls/d	barrels per day
BD/UM	Basal Doig/Upper Montney
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
condensate	pentanes plus (C5+)
F&D	finding and development
G&A	general and administrative
GAAP	generally accepted accounting principles for Canadian public companies, which are currently International Financial Reporting Standards as issued by the International Accounting Standards Board
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
IP	initial production
LNG	liquefied natural gas
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf	million cubic feet
MSW	price for mixed sweet crude oil at Edmonton, Alberta
NGLs	natural gas liquids consisting of ethane (C2), propane (C3) and butane (C4) and specifically excluding condensate
NYMEX	New York Mercantile Exchange
OPEC	Organization of the Petroleum Exporting Countries
Q	quarter
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
000s	thousands
$000s	thousands of dollars

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below.

Non-GAAP Financial Measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation. The non-GAAP financial measures used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP financial measures as indicators of Birchcliff's performance. Set forth below is a description of the non-GAAP financial measures used in this press release.

Adjusted Funds Flow and Free Funds Flow

Birchcliff defines "adjusted funds flow" as cash flow from operating activities before the effects of decommissioning expenditures, retirement benefit payments and changes in non-cash operating working capital. Birchcliff eliminates settlements of decommissioning expenditures from cash flow from operating activities as the amounts can be discretionary and may vary from period to period depending on its capital programs and the maturity of its operating areas. The settlement of decommissioning expenditures is managed with Birchcliff's capital budgeting process which considers available adjusted funds flow. Birchcliff eliminates retirement benefit payments from cash flow from operating activities as such payments reflect costs for past service and contributions made by eligible executives under the Corporation's post-employment benefit plan, which are not indicative of the current period. Changes in non-cash operating working capital are eliminated in the determination of adjusted funds flow as the timing of collection and payment are variable and by excluding them from the calculation, the Corporation believes that it is able to provide a more meaningful measure of its operations and ability to generate cash on a continuing basis. Management believes that adjusted funds flow assists management and investors in assessing Birchcliff's financial performance after deducting all operating and corporate cash costs, as well as its ability to generate the cash necessary to fund sustaining and/or growth capital expenditures, repay debt, settle decommissioning obligations, buy back common shares and pay dividends.

Birchcliff defines "free funds flow" as adjusted funds flow less F&D capital expenditures. Management believes that free funds flow assists management and investors in assessing Birchcliff's ability to generate shareholder returns through a number of initiatives, including but not limited to, debt repayment, common share buybacks, the payment of common share dividends, acquisitions and other opportunities that would complement or otherwise improve the Corporation's business and enhance long-term shareholder value.

The most directly comparable GAAP financial measure to adjusted funds flow and free funds flow is cash flow from operating activities. The following table provides a reconciliation of cash flow from operating activities to adjusted funds flow and free funds flow for the periods indicated:

	Three months ended March 31,		Twelve months ended December 31,
($000s)	**2024**	**2023**	**2023**
Cash flow from operating activities	**65,255**	**111,330**	**320,529**
Change in non-cash operating working capital	(13,163)	(22,967)	(19,477)
Decommissioning expenditures	138	374	3,775
Retirement benefit payments	13,851	-	2,000
Adjusted funds flow	**66,081**	**88,737**	**306,827**
F&D capital expenditures	(102,773)	(115,039)	(304,637)
Free funds flow	**(36,692)**	**(26,302)**	**2,190**

Birchcliff has disclosed in this press release forecasts of adjusted funds flow and free funds flow for 2024, which are forward-looking non-GAAP financial measures (see *"Outlook and Guidance – Updated 2024 Guidance"*). The equivalent historical non-GAAP financial measures are adjusted funds flow and free funds flow for the twelve months ended December 31, 2023. Birchcliff anticipates the forward-looking non-GAAP financial measure for adjusted funds flow to be lower than its historical amount primarily due to lower anticipated benchmark natural gas prices. Birchcliff anticipates the forward-looking non-GAAP financial measure for free funds flow to be higher than its historical amount primarily due to lower anticipated F&D capital expenditures. The commodity price assumptions on which the Corporation's guidance is based are set forth under the heading *"Outlook and Guidance – Updated 2024 Guidance"*.

Transportation and Other Expense

Birchcliff defines "transportation and other expense" as transportation expense plus marketing purchases less marketing revenue. Birchcliff may enter into certain marketing purchase and sales arrangements with the objective of reducing any unused transportation or fractionation fees associated with its take-or-pay commitments and/or increasing the value of its production through value-added downstream initiatives. Management believes that transportation and other expense assists management and investors in assessing Birchcliff's total cost structure related to transportation and marketing activities. The most directly comparable GAAP financial measure to transportation and other expense is transportation expense. The following table provides a reconciliation of transportation expense to transportation and other expense for the periods indicated:

	Three months ended March 31,		Twelve months ended December 31,
($000s)	**2024**	**2023**	**2023**
Transportation expense	**36,625**	**34,517**	**152,828**
Marketing purchases	7,111	10,625	34,772
Marketing revenue	(9,468)	(9,438)	(30,521)
Transportation and other expense	**34,268**	**35,704**	**157,079**

Operating Netback

Birchcliff defines "operating netback" as petroleum and natural gas revenue less royalty expense, operating expense and transportation and other expense. Operating netback is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback assists management and investors in assessing Birchcliff's operating profits after deducting the cash costs that are directly associated with the sale of its production, which can then be used to pay other corporate cash costs or satisfy other obligations. The following table provides a breakdown of Birchcliff's operating netback for the periods indicated:

Three months ended, *($000s)*	**March 31, 2024**	**March 31, 2023**
P&NG revenue	163,304	208,647
Royalty expense	(14,467)	(29,308)
Operating expense	(26,427)	(26,502)
Transportation and other expense	(34,268)	(35,704)
Operating netback	**88,142**	**117,133**

Total Capital Expenditures

Birchcliff defines "total capital expenditures" as exploration and development expenditures less dispositions plus acquisitions (if any) and plus administrative assets. Management believes that total capital expenditures assists management and investors in assessing Birchcliff's overall capital cost structure associated with its petroleum and natural gas activities. The most directly comparable GAAP financial measure to total capital expenditures is exploration and development expenditures. The following table provides a reconciliation of exploration and development expenditures to total capital expenditures for the periods indicated:

Three months ended, *($000s)*	**March 31, 2024**	**March 31, 2023**
Exploration and development expenditures(1)	**102,773**	**115,039**
Dispositions	(109)	-
Administrative assets	820	620
Total capital expenditures	**103,484**	**115,659**

(1) Disclosed as F&D capital expenditures elsewhere in this press release See "*Advisories – F&D Capital Expenditures*".

Effective Sales – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff defines "effective sales" in the AECO market and NYMEX HH market as the sales amount received from the production of natural gas that is effectively attributed to the AECO and NYMEX HH market pricing, respectively, and does not consider the physical sales delivery point in each case. Effective sales in the NYMEX HH market includes realized gains and losses on financial instruments and excludes the notional fixed basis costs associated with the underlying financial contract in the period. Birchcliff defines "effective total natural gas sales" as the aggregate of the effective sales amount received in each natural gas market. Birchcliff defines "effective total corporate sales" as the aggregate of the effective total natural gas sales and the sales amount received from the production of light oil, condensate and NGLs. Management believes that disclosing the effective sales for each natural gas market assists management and investors in assessing Birchcliff's natural gas diversification and commodity price exposure to each market. The most directly comparable GAAP financial measure to effective total natural gas sales and effective total corporate sales is natural gas sales. The following table provides a reconciliation of natural gas sales to effective total natural gas sales and effective total corporate sales for the periods indicated:

Three months ended, *($000s)*	**March 31, 2024**	**March 31, 2023**
Natural gas sales	**88,022**	**126,822**
Realized loss on financial instruments	(5,628)	(15,811)
Notional fixed basis costs(1)	18,477	20,515
Effective total natural gas sales	**100,871**	**131,526**
Light oil sales	13,219	19,862
Condensate sales	43,477	51,062
NGLs sales	18,568	10,855
Effective total corporate sales	**176,135**	**213,305**

(1) Reflects the aggregate notional fixed basis cost associated with Birchcliff's financial and any physical NYMEX HH/AECO 7A basis swap contracts in the period.

Non-GAAP Ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. The non-GAAP ratios used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Set forth below is a description of the non-GAAP ratios used in this press release.

Adjusted Funds Flow Per Boe and Adjusted Funds Flow Per Basic Common Share

Birchcliff calculates "adjusted funds flow per boe" as aggregate adjusted funds flow in the period divided by the production (boe) in the period. Management believes that adjusted funds flow per boe assists management and investors in assessing Birchcliff's financial profitability and sustainability on a cash basis by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Birchcliff calculates "adjusted funds flow per basic common share" as aggregate adjusted funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that adjusted funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength on a per common share basis.

Free Funds Flow Per Basic Common Share

Birchcliff calculates "free funds flow per basic common share" as aggregate free funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that free funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength and its ability to deliver shareholder returns on a per common share basis.

Transportation and Other Expense Per Boe

Birchcliff calculates "transportation and other expense per boe" as aggregate transportation and other expense in the period divided by the production (boe) in the period. Management believes that transportation and other expense per boe assists management and investors in assessing Birchcliff's cost structure as it relates to its transportation and marketing activities by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Operating Netback Per Boe

Birchcliff calculates "operating netback per boe" as aggregate operating netback in the period divided by the production (boe) in the period. Operating netback per boe is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback per boe assists management and investors in assessing Birchcliff's operating profitability and sustainability by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Effective Average Realized Sales Price – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff calculates "effective average realized sales price" as effective sales, in each of total corporate, total natural gas, AECO market and NYMEX HH market, as the case may be, divided by the effective production in each of the markets during the period. Management believes that disclosing the effective average realized sales price for each natural gas market assists management and investors in comparing Birchcliff's commodity price realizations in each natural gas market on a per unit basis.

Capital Management Measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Set forth below is a description of the capital management measure used in this press release.

Total Debt

Birchcliff calculates "total debt" as the amount outstanding under the Corporation's Credit Facilities plus working capital deficit (less working capital surplus) plus the fair value of the current asset portion of financial instruments less the fair value of the current liability portion of financial instruments and less the current portion of other liabilities discounted at the end of the period. Management believes that total debt assists management and investors in assessing Birchcliff's overall liquidity and financial position at the end of the period. The following table provides a reconciliation of the amount outstanding under the Credit Facilities, as determined in accordance with GAAP, to total debt for the periods indicated:

As at, *($000s)*	March 31, 2024	December 31, 2023	March 31, 2023
Revolving term credit facilities	**428,566**	**372,097**	**191,426**
Working capital deficit (surplus)[1]	34,261	13,084	60,729
Fair value of financial instruments – asset[2]	240	3,588	7,585
Fair value of financial instruments – liability[2]	(14,550)	(1,394)	(27,942)
Other liabilities[2]	(5,137)	(5,069)	(13,871)
Total debt	**443,380**	**382,306**	**217,927**

(1) Current liabilities less current assets.

(2) Reflects the current portion only.

ADVISORIES

Unaudited Information

All financial and operational information contained in this press release for the three months ended March 31, 2024 and 2023 is unaudited.

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, all references to "$" and "CDN$" are to Canadian dollars and all references to "US$" are to United States dollars.

Boe Conversions

Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to 1 bbl of oil. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

MMBtu Pricing Conversions

$1.00 per MMBtu equals $1.00 per Mcf based on a standard heat value Mcf.

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry, including operating netback. These oil and gas metrics do not have any standardized meanings or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Birchcliff's performance over time; however, such measures are not reliable indicators of Birchcliff's future performance, which may not compare to Birchcliff's performance in previous periods, and therefore should not be unduly relied upon. For additional information regarding operating netback and how such metric is calculated, see *"Non-GAAP and Other Financial Measures"*.

Production

With respect to the disclosure of Birchcliff's production contained in this press release: (i) references to "light oil" mean "light crude oil and medium crude oil" as such term is defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); (ii) references to "liquids" mean "light crude oil and medium crude oil" and "natural gas liquids" (including condensate) as such terms are defined in NI 51-101; and (iii) references to "natural gas" mean "shale gas", which also includes an immaterial amount of "conventional natural gas", as such terms are defined in NI 51-101. In addition, NI 51-101 includes condensate within the product type of natural gas liquids. Birchcliff has disclosed condensate separately from other natural gas liquids as the price of condensate as compared to other natural gas liquids is currently significantly higher and Birchcliff believes presenting the two commodities separately provides a more accurate description of its operations and results therefrom.

Initial Production Rates

Any references in this press release to initial production rates or other short-term production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue to produce and decline thereafter and are not indicative of the long-term performance or the ultimate recovery of such wells. In addition, such rates may also include recovered "load oil" or "load water" fluids used in well completion stimulation. Readers are cautioned not to place undue reliance on such rates in calculating the aggregate production for Birchcliff. Such rates are based on field estimates and may be based on limited data available at this time.

With respect to the production rates for the Corporation's 5-well 04-30 pad disclosed herein, such rates represent the cumulative volumes for each well measured at the wellhead separator for the 30 and 60 days (as applicable) of production immediately after each well was considered stabilized after producing fracture treatment fluid back to surface in an amount such that flow rates of hydrocarbons became reliable, divided by 30 or 60 (as applicable), which were then added together to determine the aggregate production rates for the 5-well pad and then divided by 5 to determine the per well average production rates. The production rates excluded the hours and days when the wells did not produce. To-date, no pressure transient or well-test interpretation has been carried out on any of the wells. The natural gas volumes represent raw natural gas volumes as opposed to sales gas volumes.

F&D Capital Expenditures

Unless otherwise stated, references in this press release to "F&D capital expenditures" denotes exploration and development expenditures as disclosed in the Corporation's financial statements in accordance with GAAP, and is primarily comprised of capital for land, seismic, workovers, drilling and completions, well equipment and facilities and capitalized G&A costs and excludes any acquisitions, dispositions, administrative assets and the capitalized portion of cash incentive payments that have not been approved by the Board. Management believes that F&D capital expenditures assists management and investors in assessing Birchcliff's capital cost outlay associated with its exploration and development activities for the purposes of finding and developing its reserves.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this press release relate to future events or Birchcliff's future plans, strategy, operations, performance or financial position and are based on Birchcliff's current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "seek", "plan", "focus", "future", "outlook", "position", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "guidance", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should", "would", "on track", "maintain", "deliver" and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

In particular, this press release contains forward-looking statements relating to:

- Birchcliff's plans and other aspects of its anticipated future financial performance, results, operations, focus, objectives, strategies, opportunities, priorities and goals, including: that Birchcliff remains focused on strengthening its business and its capital efficiencies by continuously improving its well results and reducing its costs; that although natural gas prices are forecasted to remain challenged through the middle part of 2024, the Corporation remains bullish on the long-term outlook for natural gas; that Birchcliff expects prices to improve due to the anticipated increased demand from the start-up of various LNG projects in North America and gas-fired power generation; that in the current commodity price environment, the Corporation is committed to maintaining a strong balance sheet, the development of its world-class Montney asset base and shareholder returns; that in alignment with its commitment to maintain a strong balance sheet, the Corporation is continuing to target a total debt to forward annual adjusted funds flow ratio of less than 1.0 times in the long-term; and that the Corporation will continue to closely monitor commodity prices and will adjust its business and activities as required;
- the information set forth under the heading *"Outlook and Guidance"* and elsewhere in this press release as it relates to Birchcliff's outlook and guidance, including: forecasts of annual average production, production commodity mix, average expenses, adjusted funds flow, F&D capital expenditures, free funds flow, annual base dividend, total debt at year end and natural gas market exposure in 2024; the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's forecast of free funds flow for 2024; and that lower anticipated adjusted funds flow in 2024 is expected to result in higher total debt at year-end 2024 than previously forecast;
- the information set forth under the headings *"Outlook and Guidance"* and "*Operational Update*" and elsewhere in this press release as it relates to Birchcliff's 2024 capital program and its exploration, production and development activities and the timing thereof, including: estimates of F&D capital expenditures and statements regarding capital allocation; the anticipated number, types and timing of wells and pads to be drilled and brought on production and targeted product types; that as a result of the outperformance of the wells brought on production year-to-date, the Corporation is adjusting its capital program for the balance of 2024 to remove two natural gas wells from its remaining 13-well program, while maintaining its previous 2024 production guidance of 74,000 to 77,000 boe/d; that capital has been reallocated to Q4 2024 to prepare for the efficient execution of the Corporation's 2025 capital program; that in order to prepare for the efficient execution of its 2025 capital program, Birchcliff plans to complete the drilling of 2 (2.0 net) wells in Q4 2024; that these wells are planned to be brought on production in Q1 2025, when natural gas prices are forecast to be higher; that capital will also be allocated towards the drilling of various surface holes, pad-site construction and other activities in preparation for the 2025 capital program; that Birchcliff expects to invest approximately $10.0 million in Q4 2024 in connection with such activities; that the Corporation has the necessary water storage and infrastructure in place to allow it to execute on the remainder of its 2024 capital program; that in the second half of the year, Birchcliff will continue to evaluate further investment in Elmworth that is not currently contemplated in its 2024 capital program in order to protect, optimize and further its long-term development strategy of this asset; and that Birchcliff anticipates providing further details regarding the results of its 16-17, 02-27 and 01-10 pads with the release of its Q2 2024 results;
- the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets (including statements regarding the potential or prospectivity of Birchcliff's properties); and
- that Birchcliff anticipates the forward-looking non-GAAP financial measure for adjusted funds flow to be lower than its historical amount primarily due to lower anticipated benchmark natural gas prices and that Birchcliff anticipates the forward-looking non-GAAP financial measure for free funds flow to be higher than its historical amount primarily due to lower anticipated F&D capital expenditures.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation's ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation, G&A and other expenses; Birchcliff's ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff's ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the approval of the Board of future dividends; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; the results of the Corporation's risk management and market diversification activities; and Birchcliff's natural gas market exposure. In addition to the foregoing assumptions, Birchcliff has made the following assumptions with respect to certain forward-looking statements contained in this press release:

- With respect to Birchcliff's 2024 guidance (as updated on May 15, 2024), such guidance is based on the commodity price, exchange rate and other assumptions set forth under the heading *"Outlook and Guidance – Updated 2024 Guidance"*. In addition:
  - Birchcliff's production guidance assumes that: the 2024 capital program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that Birchcliff relies on to produce its wells and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; the construction of new infrastructure meets timing and operational expectations; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations.
  - Birchcliff's forecast of F&D capital expenditures assumes that the 2024 capital program will be carried out as currently contemplated and excludes any potential acquisitions, dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The amount and allocation of capital expenditures for exploration and development activities by area and the number and types of wells to be drilled and brought on production is dependent upon results achieved and is subject to review and modification by management on an ongoing basis throughout the year. Actual spending may vary due to a variety of factors, including commodity prices, economic conditions, results of operations and costs of labour, services and materials.
  - Birchcliff's forecasts of adjusted funds flow and free funds flow assume that: the 2024 capital program will be carried out as currently contemplated and the level of capital spending for 2024 set forth herein is met; and the forecasts of production, production commodity mix, expenses and natural gas market exposure and the commodity price and exchange rate assumptions set forth herein are met. Birchcliff's forecast of adjusted funds flow takes into account its financial basis swap contracts outstanding as at May 3, 2024 and excludes cash incentive payments that have not been approved by the Board.
  - Birchcliff's forecast of year end total debt assumes that: (i) the forecasts of adjusted funds flow and free funds flow are achieved, with the level of capital spending for 2024 met and the payment of an annual base dividend of approximately $107 million; (ii) any free funds flow remaining after the payment of dividends, asset retirement obligations and other amounts for administrative assets, financing fees and capital lease obligations is allocated towards debt reduction; (iii) there are no buybacks of common shares during 2024; (iv) there are no significant acquisitions or dispositions completed by the Corporation during 2024; (v) there are no equity issuances during 2024; and (vi) there are no further proceeds received from the exercise of stock options or performance warrants during 2024. The forecast of total debt excludes cash incentive payments that have not been approved by the Board.
  - Birchcliff's forecast of its natural gas market exposure assumes: (i) 175,000 GJ/d being sold on a physical basis at the Dawn price; (ii) 147,500 MMBtu/d being contracted on a financial basis at an average fixed basis

differential price between AECO 7A and NYMEX HH of approximately US$1.12/MMBtu; and (iii) 9,045 GJ/d being sold at Alliance on a physical basis at the AECO 5A price plus a premium. Birchcliff's natural gas market exposure takes into account its financial basis swap contracts outstanding as at May 3, 2024.

- With respect to statements regarding future wells to be drilled and brought on production, such statements assume: the continuing validity of the geological and other technical interpretations performed by Birchcliff's technical staff, which indicate that commercially economic volumes can be recovered from Birchcliff's lands as a result of drilling future wells; and that commodity prices and general economic conditions will warrant proceeding with the drilling of such wells.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: the risks posed by pandemics, epidemics and global conflict (including the Russian invasion of Ukraine and the Israel-Hamas conflict) and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; the uncertainty of estimates and projections relating to production, revenue, costs, expenses and reserves; the risk that any of the Corporation's material assumptions prove to be materially inaccurate (including the Corporation's commodity price and exchange rate assumptions); general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of crude oil and natural gas prices; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; fluctuations in exchange and interest rates; stock market volatility; loss of market demand; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with Birchcliff's Credit Facilities, including a failure to comply with covenants under the agreement governing the Credit Facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the occurrence of unexpected events such as fires, severe weather, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; the accuracy of estimates of reserves, future net revenue and production levels; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry; political uncertainty and uncertainty associated with government policy changes; actions by government authorities; an inability of the Corporation to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends, including the discretion of the Board to declare dividends and change the Corporation's dividend policy and the risk that the amount of dividends may be less than currently forecast; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry and fossil fuels; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including risks associated with cyber-attacks); risks associated with the ownership of the Corporation's securities; and the accuracy of the Corporation's accounting estimates and judgments.

The declaration and payment of any future dividends are subject to the discretion of the Board and may not be approved or may vary depending on a variety of factors and conditions existing from time to time, including commodity prices, free funds flow, current and forecast commodity prices, fluctuations in working capital, financial requirements of Birchcliff, applicable laws (including solvency tests under the *Business Corporations Act* (Alberta) for the declaration and payment of dividends) and other factors beyond Birchcliff's control. The payment of dividends to shareholders is not assured or guaranteed and dividends may be reduced or suspended entirely. In addition to the foregoing, the Corporation's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Corporation has incurred or may incur in the future, including the terms of the Credit Facilities. The agreement governing the Credit Facilities provides that Birchcliff is not permitted to make any distribution (which includes dividends) at any time when an event of default exists or would reasonably be expected to exist upon making such distribution, unless such event of default arose subsequent to the ordinary course declaration of the applicable distribution.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect Birchcliff's results of operations, financial performance or financial results are included in Birchcliff's annual information form and annual management's discussion and analysis for the financial year ended December 31, 2023 under the heading *"Risk Factors"* and in other reports filed with Canadian securities regulatory authorities.

This press release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "**FOFI**") about Birchcliff's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Birchcliff's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Birchcliff has included FOFI in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements and FOFI contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements and FOFI contained herein are made as of the date of this press release. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise.

ABOUT BIRCHCLIFF:

Birchcliff is a dividend-paying, intermediate oil and natural gas company based in Calgary, Alberta with operations focused on the Montney/Doig Resource Play in Alberta. Birchcliff's common shares are listed for trading on the Toronto Stock Exchange under the symbol "BIR".

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