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November 9, 2016

BIRCHCLIFF ENERGY LTD. ANNOUNCES 2016 THIRD QUARTER RESULTS, 2021 FIVE YEAR PLAN AND ADOPTION OF QUARTERLY DIVIDEND POLICY

Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff”) (TSX: BIR) is pleased to announce its 2016 third quarter results, with record quarterly average production of 54,538 boe/d. Birchcliff is also pleased to announce the details of its 2021 Five Year Plan and that its board of directors has approved a quarterly dividend policy for its common shares. It is anticipated that the first quarterly dividend will be paid to common shareholders for the quarter ending March 31, 2017.

The full text of Birchcliff’s Third Quarter Report containing the unaudited interim condensed financial statements for the three and nine month periods ended September 30, 2016 and the related management’s discussion and analysis will be available on Birchcliff’s website at www.birchcliffenergy.com and on SEDAR at www.sedar.com.

Jeff Tonken, President and Chief Executive Officer of Birchcliff, stated:

“The third quarter marked the completion of a transformational transaction whereby Birchcliff acquired significant petroleum and natural gas properties in the Gordondale area of Alberta on July 28, 2016. In connection with the acquisition, Birchcliff completed equity financings for aggregate gross proceeds of approximately \$690.8 million. As a result of the acquisition and the financings, we are now bigger, more focused and better financed. Our more balanced and focused portfolio of profitable low decline properties has positioned us to materially grow our production and reserves, to maintain a top tier balance sheet and to commence paying a sustainable quarterly dividend in 2017.

The transition and integration of the Gordondale assets is going very well, the production is meeting our expectations and the opportunity list continues to grow. We have recently moved two drilling rigs onto the Gordondale assets and we will be drilling six Montney horizontal wells (3 Montney D2 wells and 3 Montney D1 wells) on two pads with three wells on each pad. We expect that we will have these six wells drilled and cased by the end of the year and that we will complete them and bring them on production in the first quarter 2017. We have also identified numerous cost saving initiatives, such as water disposal which is expected to significantly reduce water transportation and disposal costs.

We have recently finalized our 2021 Five Year Plan, the key elements of which include controlled growth, maintaining a top tier balance sheet and the payment of a sustainable quarterly dividend to our common shareholders. I am pleased to report that we expect to produce in excess of 100,000 boe/d by the end of 2018 and approximately 130,000 boe/d by the end of 2021. We expect to fund our growth out of internally generated funds flow and we expect to materially reduce our indebtedness over the five year period, assuming the production targets and commodity prices set forth in the plan are achieved during such period.”

2021 Five Year Plan

- Birchcliff's 2021 Five Year Plan (the "**Five Year Plan**") targets an exit production rate of approximately 106,000 boe/d in 2018 and an exit production rate of approximately 130,000 boe/d in 2021. The production growth and capital expenditures contemplated by the Five Year Plan are expected to be funded out of internally generated funds flow.
- The Five Year Plan contemplates that Birchcliff will generate significant free funds flow over the five year period, assuming the production targets and commodity prices set forth in the plan are achieved during such period.
- This free funds flow is expected to provide Birchcliff with significant financial flexibility as it may choose to use such free funds flow to reduce its indebtedness, to increase its capital spending and/or to pay dividends. Birchcliff's current expectation is that it will materially reduce indebtedness over the five year period.
- Birchcliff currently owns and controls the lands necessary to achieve this production growth profile, allowing it to execute the plan without relying on land, asset or corporate acquisitions.
- The Five Year Plan assumes an average forecast WTI price of US\$55.00 per bbl of oil and an average forecast AECO price of CDN\$3.00 per GJ of natural gas over the five year period.

Quarterly Common Share Dividend Policy

- Birchcliff's board of directors has approved a quarterly dividend policy for its common shares, whereby a quarterly dividend will be paid for the quarters ending March 31, June 30, September 30 and December 31.
- It is anticipated that the first dividend under this policy will be paid for the quarter ending March 31, 2017.
- It is expected that the total dividends payable to common shareholders during 2017 will be approximately \$26 million, with a quarterly dividend of \$0.025 per common share and assuming 263 million common shares are issued and outstanding.
- Birchcliff does not currently intend to implement a dividend reinvestment plan or stock dividend program.

Hedging

- Birchcliff currently has in place financial swaps for 1,500 bbls/d of crude oil at an average price of CDN\$64.83/bbl for the period from June 1, 2016 to December 31, 2016.
- Birchcliff has entered into hedging contracts for 80,000 GJ/d of natural gas at an average AECO price of CDN\$2.99/GJ (\$3.40/Mcf) for the period from January 1, 2017 to December 31, 2017. This represents approximately 21% of Birchcliff's estimated annual average natural gas production for 2017. In addition, Birchcliff has entered into a financial derivative contract for 500 bbls/d of crude oil at a WTI price of CDN\$71.00/bbl for the period from January 1, 2017 to December 31, 2017.
- Birchcliff's current strategy for 2017 is to hedge approximately 50% of its estimated annual average natural gas and oil production using a combination of financial derivatives and physical sales contracts, depending on its outlook for commodity prices.

2016 Guidance

- Birchcliff is pleased to confirm its previously announced guidance for 2016. The following table sets forth Birchcliff's guidance for 2016:

	Guidance
2016 Guidance⁽¹⁾	
Estimated 2016 Q4 Average Production	62,000 – 63,000 boe/d
% Oil and NGLs	21%
Estimated 2016 Annual Average Production	49,000 – 51,000 boe/d
% Oil and NGLs	17%
Estimated 2016 Net Capital Expenditures, excluding the Gordondale acquisition (millions)	\$145
Estimated Total Debt at December 31, 2016 (millions)	\$607

(1) For further information regarding Birchcliff's 2016 guidance, including the assumptions surrounding such guidance, please see "Advisories – Forward-Looking Information" in this press release.

- As a result of the strong well performance on Birchcliff's Montney/Doig Resource Play in Pouce Coupe, the new wells drilled in 2016 and the reserves acquired pursuant to the Gordondale acquisition, Birchcliff expects material reserves additions at year-end 2016.

2017 Guidance

- Birchcliff is pleased to announce that its annual average production for 2017 is expected to be 70,000 to 74,000 boe/d. The following table sets forth Birchcliff's guidance for 2017:

	Guidance
2017 Guidance⁽¹⁾	
Estimated 2017 Annual Average Production	70,000 – 74,000 boe/d
% Oil and NGLs	23%
Estimated 2017 Exit Production	78,000 – 82,000 boe/d
% Oil and NGLs	23%

(1) For further information regarding Birchcliff's 2017 guidance, including the assumptions surrounding such guidance, please see "Advisories – Forward-Looking Information" in this press release.

- Birchcliff expects to fund its 2017 capital expenditures and dividends out of internally generated funds flow, based on the assumptions contained in the Five Year Plan.
- Birchcliff expects to announce the details of its 2017 capital expenditure program, its 2016 unaudited financial results and 2016 reserves and finding costs on February 8, 2017.

Third Quarter 2016 Highlights

- Birchcliff completed the acquisition of significant petroleum and natural gas properties and related assets located in the Gordondale area of Alberta and equity financings for gross proceeds of \$690.8 million.
- Birchcliff had record quarterly average production of 54,538 boe/d, a 42% increase from 38,433 boe/d in the third quarter of 2015.
- Birchcliff had funds flow of \$41.7 million (\$0.18 per basic common share), a decrease from \$44.6 million (\$0.29 per basic common share) in the third quarter of 2015.
- Birchcliff recorded a net loss to common shareholders of \$2.1 million (\$0.01 per basic common share), as compared to the net income to common shareholders of \$3.8 million (\$0.03 per basic common share) in the third quarter of 2015.
- Birchcliff had operating costs of \$4.65/boe, a 6% increase from \$4.39/boe in the third quarter of 2015.

- Birchcliff had general and administrative expense of \$1.07/boe, a 10% decrease from \$1.19/boe in the third quarter of 2015.
- Birchcliff's extendible revolving credit facilities were amended to increase the borrowing base to \$950 million from \$750 million.
- At September 30, 2016, Birchcliff's long-term bank debt was \$634.5 million and total debt, including adjusted working capital surplus, was \$612.1 million.

This press release contains forward-looking information within the meaning of applicable securities laws. Such forward-looking information is based upon certain expectations and assumptions and actual results may differ materially from those expressed or implied by such forward-looking information. For further information regarding the forward-looking information contained herein, please see "Advisories – Forward-Looking Information". In addition, this press release contains references to "funds flow", "funds flow from operations", "funds flow per common share", "free funds flow", "netback", "operating netback", "estimated operating netback", "funds flow netback", "operating margin", "total cash costs", "adjusted working capital deficit (surplus)" and "total debt", which do not have standardized meanings prescribed by GAAP. For further information regarding these non-GAAP measures, including reconciliations to the most directly comparable GAAP measure, please see "Non-GAAP Measures".

2016 THIRD QUARTER FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
OPERATING				
Average daily production				
Light oil – (barrels)	4,504	3,554	3,417	3,767
Natural gas – (thousands of cubic feet)	263,652	199,746	233,198	198,146
NGLs – (barrels)	6,092	1,588	3,086	1,655
Total – barrels of oil equivalent (6:1)	54,538	38,433	45,370	38,446
Average sales price (\$ CDN) ⁽¹⁾				
Light oil – (per barrel)	52.12	52.91	47.13	55.04
Natural gas – (per thousand cubic feet)	2.53	3.12	2.04	2.99
NGLs – (per barrel)	25.82	49.42	32.69	51.73
Total – barrels of oil equivalent (6:1)	19.40	23.17	16.25	23.03
NETBACK AND COST (\$ per barrel of oil equivalent at 6:1)				
Petroleum and natural gas revenue ⁽¹⁾	19.41	23.19	16.26	23.04
Royalty expense	(1.45)	(0.86)	(0.86)	(0.77)
Operating expense	(4.65)	(4.39)	(4.01)	(4.67)
Transportation and marketing expense	(2.50)	(2.44)	(2.38)	(2.50)
Netback	10.81	15.50	9.01	15.10
General & administrative expense, net	(1.07)	(1.19)	(1.19)	(1.46)
Interest expense	(1.61)	(1.70)	(1.81)	(1.53)
Realized gain on financial instruments	0.18	-	0.07	-
Funds flow netback	8.31	12.61	6.08	12.11
Stock-based compensation expense, net	(0.12)	(0.23)	(0.14)	(0.23)
Depletion and depreciation expense	(8.08)	(9.82)	(8.54)	(10.60)
Accretion expense	(0.12)	(0.16)	(0.14)	(0.16)
Amortization of deferred financing fees	(0.06)	(0.07)	(0.06)	(0.07)
Gain (loss) on sale of assets	0.09	-	(0.84)	0.06
Unrealized gain on financial instruments	0.01	-	0.01	-
Dividends on Series C preferred shares	(0.17)	(0.25)	(0.21)	(0.25)
Income tax recovery (expense)	(0.07)	(0.72)	0.91	(1.13)
Net income (loss)	(0.21)	1.36	(2.93)	(0.27)
Dividends on Series A preferred shares	(0.20)	(0.28)	(0.24)	(0.29)
Net income (loss) to common shareholders	(0.41)	1.08	(3.17)	(0.56)
FINANCIAL				
Petroleum and natural gas revenue (\$000s) ⁽¹⁾	97,365	82,011	202,129	241,828
Funds flow from operations (\$000s)	41,675	44,587	75,637	127,059
Per common share – basic (\$)	0.18	0.29	0.42	0.83
Per common share – diluted (\$)	0.18	0.29	0.42	0.82
Net income (loss) (\$000s)	(1,064)	4,815	(36,420)	(2,838)
Net income (loss) to common shareholders (\$000s)	(2,064)	3,815	(39,420)	(5,838)
Per common share – basic (\$)	(0.01)	0.03	(0.22)	(0.04)
Per common share – diluted (\$)	(0.01)	0.02	(0.22)	(0.04)
Common shares outstanding (000s)				
End of period – basic	263,065	152,308	263,065	152,308
End of period – diluted	279,826	168,112	279,826	168,112
Weighted average common shares for period – basic	229,287	152,303	178,155	152,279
Weighted average common shares for period – diluted	234,295	153,916	180,681	154,265
Dividends on Series A preferred shares (\$000s)	1,000	1,000	3,000	3,000
Dividends on Series C preferred shares (\$000s)	875	875	2,625	2,625
Capital expenditures, net (\$000s)	599,715	50,013	699,547	213,674
Revolving term credit facilities (\$000s)	634,534	626,839	634,534	626,839
Adj. working capital deficit (surplus) (\$000s)	(22,454)	13,912	(22,454)	13,912
Total debt (\$000s)	612,080	640,751	612,080	640,751

(1) Excludes the effect of hedges using financial instruments.

PRESIDENT'S MESSAGE FROM THE 2016 THIRD QUARTER REPORT

November 9, 2016

Fellow Shareholders,

We are pleased to report the third quarter financial and operational results for Birchcliff Energy Ltd. ("**Birchcliff**") for the three and nine month periods ended September 30, 2016.

Highlights for the 2016 Third Quarter

The third quarter marked the completion of a transformational transaction for Birchcliff. On July 28, 2016, we completed the acquisition (the "**Gordondale Acquisition**") of significant petroleum and natural gas properties and related assets located in the Gordondale area of Alberta (the "**Gordondale Assets**") for approximately \$612 million, after closing adjustments and other related costs. The Gordondale Assets include high working interest operated production and a large contiguous land base which is adjacent to Birchcliff's existing Pouce Coupe properties.

In connection with the Gordondale Acquisition, we completed a bought deal financing and concurrent private placement for aggregate gross proceeds of approximately \$690.8 million which closed on July 13, 2016. On the closing of the Gordondale Acquisition, the proceeds were used to complete the Gordondale Acquisition and the balance was used to reduce indebtedness under our credit facilities. As a result, we significantly de-levered our balance sheet, while at the same time adding material low decline production, material reserves and high quality development opportunities.

Other highlights of the third quarter include the following:

- We had record quarterly average production of 54,538 boe/d (81% natural gas, 8% light oil and 11% NGLs). Production was approximately 42% above the quarterly average production in the third quarter of 2015 of 38,433 boe/d. The increase in production from the third quarter of 2015 was largely due to the completion of the Gordondale Acquisition which closed on July 28, 2016. Accordingly, our production for the quarter includes approximately two months of production from the Gordondale Assets.
- We had funds flow of \$41.7 million (\$0.18 per basic common share), a decrease from \$44.6 million (\$0.29 per basic common share) in the third quarter of 2015, largely due to lower realized commodity prices during the quarter.
- We recorded a net loss to common shareholders of \$2.1 million (\$0.01 per basic common share), as compared to the net income to common shareholders of \$3.8 million (\$0.03 per basic common share) in the third quarter of 2015.
- Our operating costs were \$4.65/boe, a 6% increase from \$4.39/boe in the third quarter of 2015.
- Our general and administrative expense was \$1.07/boe, a 10% decrease from \$1.19/boe in the third quarter of 2015.
- Our extendible revolving credit facilities (the "**Credit Facilities**") were amended on July 28, 2016 to increase the borrowing base to \$950 million from \$750 million.
- At September 30, 2016, our long-term bank debt was \$634.5 million and total debt, including adjusted working capital surplus, was \$612.1 million.

2021 Five Year Plan

We have recently finalized our 2021 Five Year Plan (the “**Five Year Plan**”), the key elements of which include: (i) controlled growth; (ii) maintaining a top tier balance sheet; (iii) the payment of a sustainable quarterly dividend to common shareholders; (iv) a focus on our existing resource plays; (v) ownership and control of our lands and infrastructure; and (vi) a focus on operational excellence.

- **Controlled Growth**

- The Five Year Plan targets the following production rates and is based on the commodity prices set forth below⁽¹⁾:

	2017	2018	2019	2020	2021
Approximate Annual Average Production (boe/d)	72,000 ⁽²⁾	91,000	105,000	110,000	125,000
Year-over-year Annual Average Production Growth	45%	26%	16%	4%	13%
Approximate Oil and NGLs – % of Annual Average	23%	23%	23%	23%	23%
Approximate Exit Production (boe/d)	80,000 ⁽²⁾	106,000	106,000	124,000	130,000
Light Oil – WTI Cushing (US\$/bbl)	55.00	55.00	55.00	55.00	55.00
Natural Gas – AECO – C daily (CDN\$/GJ)	3.00	3.00	3.00	3.00	3.00

(1) For additional assumptions surrounding the Five Year Plan, please see “*Advisories – Forward-Looking Information*”.

(2) Represents the mid-point of our 2017 guidance. See “*Guidance*”.

- The production growth forecast by the Five Year Plan and the capital expenditures required for such growth are expected to be funded out of our internally generated funds flow, assuming the commodity prices set forth above are achieved during such period.
- We currently own and control the lands necessary to achieve this production growth profile, allowing us to execute the plan without relying on land, asset or corporate acquisitions.
- **Maintain a Top Tier Balance Sheet, Financial Self-Sufficiency and Financial Flexibility**
 - We expect to fund the production growth and capital expenditures contemplated by the Five Year Plan primarily using internally generated funds flow.
 - Our objective is financial self-sufficiency, whereby we will first determine the capital expenditures required for controlled growth and to maintain a top tier balance sheet and thereafter set a dividend rate at a prudent and sustainable level.
 - It is forecast that we will generate significant free funds flow over the five year period, assuming the production targets and commodity prices set forth above are achieved during such period.
 - This free funds flow is expected to provide Birchcliff with significant financial flexibility as we may choose to use such free funds flow to reduce our indebtedness, to increase our capital spending and/or to pay dividends. Our current expectation is that we will materially reduce our indebtedness over the five year period.
 - We are committed to a hedging strategy throughout the Five Year Plan to protect our balance sheet.
- **Pay a Sustainable Quarterly Dividend to Common Shareholders**
 - Our board of directors has approved a quarterly dividend policy whereby cash dividends will be paid to common shareholders. Please see “*Quarterly Common Share Dividend Policy*”.
 - The Five Year Plan contemplates that dividends will be set at prudent and sustainable levels and will be funded out of our internally generated funds flow.

- We do not currently intend to establish a dividend reinvestment plan or stock dividend program.
- ***Focus on Existing Resource Plays***
 - The Five Year Plan contemplates that we will continue to develop and expand our two existing resource plays, the Montney/Doig Resource Play and the Charlie Lake Light Oil Resource Play.
 - These resource plays are large enough to provide us with an extensive inventory of repeatable, consistent, low-cost and low-risk drilling opportunities that we expect will provide production and reserves growth for many years.
 - We have a large inventory of long life resources in the Montney/Doig Resource Play and we have the technical expertise to efficiently and economically extract that resource through horizontal drilling and multi-stage fracture stimulations.
- ***Ownership and Control of Lands and Infrastructure***
 - The Five Year Plan is based on the fact that we operate essentially all of our production, our current ownership of large contiguous blocks of high working interest land in our operating areas and our high working interest or 100% ownership in the significant facilities and infrastructure we rely upon to handle the majority of our production, all of which helps us to control our costs and capital expenditures.
 - We intend to continue to build and own our processing facilities in our areas of operation to provide room for production growth, to help us to continue to reduce our operating costs and to control the pace of our drilling.
- ***Focus on Operational Excellence***
 - We will continue to focus on improving our execution, reducing our costs and increasing our reserves, which is expected to lead to improved capital efficiencies and internal rates of return.
 - We will continue to apply science and technology to further evolve our best practices for all aspects of our business.

Quarterly Common Share Dividend Policy

Our board of directors has approved a quarterly dividend policy in respect of our common shares (the “**Dividend Policy**”). The Dividend Policy establishes that until changed by our board of directors, cash dividends will be paid to holders of common shares (“**Shareholders**”) on the last day of March, June, September and December in each year (or if such date is not a business day, on the next business day). The record date for determining the Shareholders entitled to receive dividends is expected to be on or about the 15th day of the last month of the applicable quarter.

We currently anticipate that the initial dividend payable under the Dividend Policy will be in respect of the quarter ending March 31, 2017 and will be in the amount of \$0.025 per common share. The declaration of dividends and the amount of such dividends is subject to the approval of our board of directors on a quarterly basis, as discussed in further detail herein. It is expected that the total dividends payable to Shareholders during 2017 will be approximately \$26 million, with a quarterly dividend of \$0.025 per common share and assuming 263 million common shares are issued and outstanding. We currently expect that any dividends declared during 2017 will be funded primarily from internally generated funds flow.

We expect that the dividends declared and paid will be “eligible dividends” for the purposes of the *Income Tax Act* (Canada). However, no assurance can be given that all dividends will be designated as “eligible dividends” or otherwise qualify as “eligible dividends”.

We do not currently intend to establish a dividend reinvestment plan or stock dividend program.

The declaration of dividends in any quarter and the amount of such dividends, if any, is subject to the discretion of our board of directors and may vary depending on a variety of factors and conditions existing from time to time. The payment of cash dividends to Shareholders in the future is not assured or guaranteed and dividends may be reduced or suspended. The Dividend Policy will be periodically reviewed by our board of directors and no assurance or guarantee can be given that we will maintain the Dividend Policy in its current form. For further information regarding the risks and assumptions relating to the payment of dividends, please see “*Advisories – Risk Factors – Payment of Dividends*” and “*Advisories – Forward-Looking Information*”.

Update on Hedging

We have been actively implementing a hedging program in order to reduce volatility in our financial results and to protect a portion of our funds flow and capital expenditure programs. Our current strategy for 2017 is to hedge approximately 50% of our estimated annual average natural gas and oil production using a combination of financial derivatives and physical sales contracts, depending on our outlook for commodity prices.

With respect to 2016, we currently have in place financial swaps for 1,500 bbls/d of crude oil at an average price of CDN\$64.83/bbl for the period from June 1, 2016 to December 31, 2016.

With respect to 2017, we have entered into hedging contracts for 80,000 GJ/d of natural gas at an average AECO price of CDN\$2.99/GJ (\$3.40/Mcf) for the period from January 1, 2017 to December 31, 2017. This represents approximately 21% of Birchcliff’s estimated annual average natural gas production for 2017. In addition, we have entered into a financial derivative contract for 500 bbls/d of crude oil at a WTI price of CDN\$71.00/bbl for the period from January 1, 2017 to December 31, 2017.

For further information regarding our hedges, please see our management’s discussion and analysis for the three and nine month periods ended September 30, 2016.

Guidance

2016 Guidance

We are pleased to confirm our previously announced guidance for 2016. The following table sets forth our guidance for 2016:

	Guidance
2016 Guidance⁽¹⁾	
Estimated 2016 Q4 Average Production	62,000 – 63,000 boe/d
% Oil and NGLs	21%
Estimated 2016 Annual Average Production	49,000 – 51,000 boe/d
% Oil and NGLs	17%
Estimated 2016 Net Capital Expenditures, excluding the Gordondale Acquisition (millions)	\$145
Estimated Total Debt at December 31, 2016 (millions)	\$607

(1) Please see “*Advisories – Forward-Looking Information*”.

As a result of the strong well performance on our Montney/Doig Resource Play in Pouce Coupe, the new wells drilled in 2016 and the reserves acquired pursuant to the Gordondale Acquisition, we expect material reserves additions at year-end 2016.

2017 Guidance

We are pleased to announce that our annual average production for 2017 is expected to be 70,000 to 74,000 boe/d. The following table sets forth our guidance for 2017:

	Guidance
2017 Guidance⁽¹⁾	
Estimated 2017 Annual Average Production	70,000 – 74,000 boe/d
% Oil and NGLs	23%
Estimated 2017 Exit Production	78,000 – 82,000 boe/d
% Oil and NGLs	23%

(1) Please see “Advisories – Forward-Looking Information”.

We expect to fund our 2017 capital expenditures and dividends out of internally generated funds flow, based on the assumptions contained in the Five Year Plan.

Update on the Gordondale Acquisition

The transition and integration of the Gordondale Assets is going very well, the production is meeting our expectations and the opportunity list continues to grow. We have recently moved two drilling rigs onto the Gordondale Assets and we will be drilling six Montney horizontal wells (3 Montney D2 wells and 3 Montney D1 wells) on two pads with three wells on each pad. We expect that we will have these six wells drilled and cased by the end of the year and that we will complete them and bring them on production in the first quarter 2017. We have also identified numerous cost saving initiatives, one of which is water handling. We recently rig released a water disposal well on the asset that is expected to significantly reduce water transportation and disposal costs.

Update on the PCS Gas Plant

Phase V and Phase VI

A large portion of the capital spent on infrastructure in the first nine months of 2016 was to progress the Phase V expansion of our 100% owned and operated natural gas plant located in the Pouce Coupe South area of Alberta (the “**PCS Gas Plant**”) which will increase the processing capacity to 260 MMcf/d from the current processing capacity of 180 MMcf/d. The fabrication work for the Phase V expansion is essentially complete and the finished components are being stored until field installation commences. The field construction for equipment foundations is currently underway and we expect that Phase V will be fully operational in October 2017. It is currently estimated that approximately \$28 million will be required to be spent in 2017 to complete the field installation.

The design and licensing work is complete for the Phase VI expansion of the PCS Gas Plant which will increase the processing capacity to 340 MMcf/d from 260 MMcf/d. We currently expect that Phase VI will be fully operational in October 2018. Our preliminary estimate for the remaining cost of the Phase VI expansion is \$45 million for the additional 80 MMcf/d of processing capacity.

The total cost of the Phase V and Phase VI expansions is expected to be approximately \$141 million for 160 MMcf/d of additional processing capacity, which equates to a capital efficiency of \$880,000 per MMcf/d of processing capacity.

Phase VII

We have also commenced the preliminary engineering work for the Phase VII expansion of the PCS Gas Plant which will increase the processing capacity to 420 MMcf/d. Consideration is also being given for deep-cut processing capabilities. We currently expect that Phase VII will be fully operational in the fall of 2020, subject to commodity prices and economic conditions.

Update on Elmworth

As part of our future growth plans for our Montney/Doig Resource Play, we are continuing to prove up the play in the Elmworth area and we intend to construct and operate a 100% owned and operated natural gas plant in the Elmworth area (the “**Elmworth Gas Plant**”). It is anticipated that the Elmworth Gas Plant will be operational in the fall of 2021 and have a processing capacity of 40 MMcf/d.

We have commenced the preliminary planning for this plant and a critical requirement is a nearby acid gas disposal well which Birchcliff drilled in the first quarter of 2015. In the second and third quarters of 2015, we conducted successful injectivity tests on the well. We received regulatory approval for this acid gas well in August 2016.

Update on Natural Gas Transportation Capacity

Virtually all of our natural gas production is transported on TransCanada’s NGTL System in Alberta pursuant to both firm and interruptible service agreements. We currently have in place firm service contracts that in the aggregate provide transportation capacity slightly above the processing capacity of our own processing facilities and sufficient transportation capacity to meet our processing commitments at third party processing facilities.

2016 THIRD QUARTER FINANCIAL AND OPERATIONAL RESULTS

Production

Third quarter production averaged 54,538 boe/d, a 42% increase from production of 38,433 boe/d in the third quarter of 2015. The increase in production from the third quarter of 2015 was largely due to the production volumes acquired pursuant to the Gordondale Acquisition, partially offset by natural well production declines. Production from the Gordondale Assets averaged approximately 24,058 boe/d in September 2016 which is the first month for which Birchcliff handled the production accounting. The Gordondale Assets increased Birchcliff’s average production for the third quarter by approximately 16,379 boe/d as Birchcliff acquired the Gordondale Assets partway through the third quarter.

Production consisted of approximately 81% natural gas, 8% light oil and 11% NGLs in the third quarter of 2016 as compared to 87% natural gas, 9% light oil and 4% NGLs in the third quarter of 2015. The Gordondale Acquisition resulted in the increase in NGLs weighting in the third quarter of 2016.

Approximately 72% of our total corporate natural gas production and 64% of our total corporate production was processed at the PCS Gas Plant in the first nine months of 2016, as compared to 81% and 73%, respectively, during the first nine months of 2015. These decreases are due to the production volumes acquired pursuant to the Gordondale Acquisition.

The following table displays our yearly third quarter production per basic common share each year since 2012:

	Q3 2012	Q3 2013	Q3 2014	Q3 2015	Q3 2016	CAGR ⁽²⁾ (%)
Quarterly average production (boe/d)	21,426	24,662	34,235	38,433	54,538	26
Production per day per million common shares (boe)⁽¹⁾	151.4	173.0	228.9	252.3	237.9	12

(1) Based on quarterly average daily production and weighted average basic common shares outstanding in the respective quarter.

(2) Represents the compounded annual growth rate.

Production per common share has decreased in the third quarter of 2016 compared to the third quarter of 2015 as a result of the Gordondale Acquisition, which was entirely financed through the issuance of equity and not debt.

Funds Flow and Net Loss

Funds flow was \$41.7 million (\$0.18 per basic common share), a 7% decrease from \$44.6 million (\$0.29 per basic common share) in the third quarter of 2015. This decrease from the third quarter of 2015 was largely due to lower realized commodity prices, primarily offset by the production volumes acquired pursuant to the Gordondale Acquisition.

We had a net loss of \$1.1 million, as compared to the net income of \$4.8 million in the third quarter of 2015. We recorded a net loss to common shareholders of \$2.1 million (\$0.01 per basic common share) in the third quarter of 2016, as compared to the net income to common shareholders of \$3.8 million (\$0.03 per basic common share) in the third quarter of 2015. The change to a net loss position in the current quarter from net income in the comparative quarter was largely due to lower funds flow from operations and an increase in aggregate depletion costs in the third quarter of 2016 resulting from the production volumes acquired pursuant to the Gordondale Acquisition.

Operating Costs and General and Administrative Expense

We continue to focus on reducing our operating costs and general and administrative expense on a per boe basis.

Operating costs in the third quarter of 2016 were \$4.65/boe, a 6% increase from \$4.39/boe in the third quarter of 2015. On an aggregate basis, operating costs increased in the third quarter of 2016 as compared to the third quarter of 2015 largely due to additional operating, processing and service costs associated with the production volumes acquired pursuant to the Gordondale Acquisition. On a per unit basis, operating costs during the third quarter of 2016 were reduced by the continued cost benefits achieved from processing incremental volumes of natural gas at the PCS Gas Plant, lower service costs resulting from reduced industry activity and various cost reductions and infrastructure optimization initiatives implemented by Birchcliff, and were increased by the higher operating cost structure associated with the liquids-rich Gordondale Assets.

General and administrative expense in the third quarter of 2016 was \$1.07/boe, a 10% decrease from \$1.19/boe in the third quarter of 2015.

PCS Gas Plant Netbacks

Since the PCS Gas Plant first became operational in March 2010, we have seen a significant reduction in our corporate operating costs on a per boe basis. During the first nine months of 2016, we processed approximately 72% of our total corporate natural gas production through the PCS Gas Plant with an average plant and field operating cost of \$0.25/Mcfe (\$1.50/boe). The estimated operating netback at the PCS Gas Plant was \$1.57/Mcfe (\$9.43/boe), resulting in an operating margin of 72% in the first nine months of 2016.

The following table details our net production and estimated operating netback for wells producing to the PCS Gas Plant on a production month basis:

	Nine months ended Sept 30, 2016		Nine months ended Sept 30, 2015		Nine months ended Sept 30, 2014		Nine months ended Sept 30, 2013		Nine months ended Sept 30, 2012	
Average daily production, net to Birchcliff:										
Natural gas (Mcf)	168,638		159,786		126,450		86,870		51,235	
Oil & NGLs (bbls)	968		1,258		1,007		427		189	
Total boe (6:1)	29,074		27,889		22,082		14,905		8,729	
Sales liquids yield (bbls/MMcf)	5.7		7.9		8.0		4.9		3.7	
% of corporate natural gas production	72%		81%		78%		71%		52%	
% of corporate production	64%		73%		68%		60%		41%	
AECO – C daily (\$/Mcf)	\$1.85		\$2.77		\$4.81		\$3.06		\$2.12	
Netback and cost:	\$/Mcfe	\$/boe	\$/Mcfe	\$/boe	\$/Mcfe	\$/boe	\$/Mcfe	\$/boe	\$/Mcfe	\$/boe
Petroleum and natural gas revenue ⁽¹⁾	2.19	13.17	3.26	19.58	5.54	33.23	3.57	21.42	2.54	15.24
Royalty expense	(0.05)	(0.29)	(0.11)	(0.65)	(0.29)	(1.75)	(0.15)	(0.92)	(0.08)	(0.48)
Operating expense ⁽²⁾	(0.25)	(1.50)	(0.33)	(2.00)	(0.40)	(2.40)	(0.36)	(2.19)	(0.33)	(1.98)
Transportation and marketing expense	(0.32)	(1.95)	(0.32)	(1.91)	(0.30)	(1.81)	(0.27)	(1.54)	(0.23)	(1.36)
Estimated operating netback	\$1.57	\$9.43	\$2.50	\$15.02	\$4.55	\$27.27	\$2.79	\$16.77	\$1.90	\$11.42
Operating margin	72%	72%	77%	77%	82%	82%	78%	78%	75%	75%

(1) Excludes the effect of hedges using financial instruments.

(2) Represents plant and field operating costs.

Total Cash Costs and Funds Flow Netback

During the third quarter of 2016, we had total cash costs of \$11.28/boe, a 7% increase from \$10.58/boe in the third quarter of 2015. The increase in total cash costs per boe in the third quarter of 2016 was primarily driven by higher royalty, operating and transportation and marketing expenses associated with the Gordondale Assets which were offset by lower general and administrative and interest expenses when compared to the third quarter of 2015. For the nine months ended September 30, 2016, total cash costs on a per boe basis were down 6% from the nine months ended September 30, 2015, primarily driven by lower operating, transportation and marketing and general and administrative expenses which were offset by higher royalty and interest expenses.

During the third quarter of 2016, we had funds flow netback of \$8.31/boe, a 34% decrease from \$12.61/boe in the third quarter of 2015.

Debt

At September 30, 2016, our long-term bank debt was \$634.5 million from available credit facilities aggregating \$950 million, leaving \$294.1 million of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized interest and fees. Total debt at September 30, 2016, including adjusted working capital surplus, was \$612.1 million. For further details, please see our management's discussion and analysis for the three and nine month periods ended September 30, 2016.

Capital Expenditures

During the third quarter of 2016, we had finding and development capital expenditures of \$18.1 million (\$599.7 million net of acquisitions and dispositions and administrative assets), including approximately \$7.8 million on drilling and completions and \$7.7 million on well equipment and facilities (which includes the costs for a turnaround conducted at the PCS Gas Plant during the quarter).

For further details regarding the breakdown of our capital expenditures, please see our management's discussion and analysis for the three and nine month periods ended September 30, 2016.

Drilling and Completions

We successfully completed four Montney/Doig horizontal natural gas wells off of one multi-well pad site in the third quarter of 2016. Of the four wells that were completed, two were Montney D1 interval wells and two were Montney D4 interval wells. The two Montney D1 interval wells were placed on production in September 2016. It is expected that the two Montney D4 wells will be equipped and brought on production in the first quarter of 2017, when it is expected that there will be processing capacity at the PCS Gas Plant.

We were also busy integrating the Gordondale Assets, as well as preparing for an active drilling program in the fourth quarter of 2016 and during 2017.

During the nine months ended September 30, 2016, we drilled 13 (13.0 net) wells, consisting of 12 (12.0 net) Montney/Doig horizontal natural gas wells and 1 (1.0 net) Charlie Lake horizontal light oil well. The Montney/Doig horizontal natural gas wells consisted of 8 (8.0 net) wells drilled in the Montney D1 interval, 2 (2.0 net) wells drilled in the Basal Doig/Upper Montney interval and 2 (2.0 net) wells drilled in the Montney D4 interval. For further details, please see *"Operations Update"*.

From inception to September 30, 2016, we have successfully drilled and cased 200 (199.9 net) Montney/Doig horizontal wells and 60 (60.0 net) Charlie Lake horizontal light oil wells utilizing multi-stage fracture stimulation technology.

We continue to see the benefits of our technical focus to evaluate and utilize innovative technologies in our drilling and completions. Our completions strategy on our Montney/Doig Resource Play continues to build off our success in 2015. We continue to use multi-stage openhole packers with high rate slickwater completions with varied horizontal lateral lengths, number of stages and tonnages, based on our engineered completions mandate, taking into account the area and the Montney/Doig interval being completed.

Land Activities

Our land activities in the third quarter of 2016 included the acquisition of 143.5 (84.7 net) sections of land (of which 72.3 (64.0 net) sections are core Montney lands) pursuant to the Gordondale Acquisition, as well as an additional 39.75 (39.75 net) sections of crown land (at 100% working interest).

As at September 30, 2016, we held 429.4 sections of land that have potential for the Montney/Doig Resource Play. Of these lands, 408.4 (383.7 net) sections have potential for the Basal Doig/Upper Montney interval, 409.4 (395.0 net) sections have potential for the Montney D1 interval, 60.5 (60.5 net) sections have potential for the Montney D2 interval and 388.4 (378.5 net) sections have potential for the Montney D4 interval. As at September 30, 2016, our total land holdings on these four intervals were 1,266.8 (1,217.6 net) sections. We have 4,870.5 net existing horizontal wells and potential net future horizontal drilling locations in respect of the Basal Doig/Upper Montney, Montney D1, Montney D2 and Montney D4 intervals as at September 30, 2016, assuming full development of four horizontal wells per section per interval. With 287 (282.4 net) horizontal wells drilled as at September 30, 2016, there remain 4,588.1 potential net future horizontal drilling locations. For further information regarding these potential net future horizontal drilling locations, please see *"Advisories – Drilling Locations"*.

As at September 30, 2016, our undeveloped land holdings were 428,722 (396,284 net) acres.

OPERATIONS UPDATE

Our 2016 Capital Program is focused on our two proven resource plays, the Montney/Doig Resource Play and the Charlie Lake Light Oil Resource Play. The 2016 Capital Program contemplates the drilling of a total of 23 (23.0 net) wells, consisting of 15 (15.0 net) Montney/Doig horizontal natural gas wells in the Pouce Coupe area, 6 (6.0 net) Montney horizontal oil and natural gas wells and 1 (1.0 net) water disposal well in the Gordondale area and 1 (1.0 net) Charlie Lake horizontal light oil well in the Worsley area. The water disposal well in Gordondale replaces a Montney/Doig horizontal well that we had originally planned on drilling in 2016.

We have drilled 14 (14.0 net) wells year to date, consisting of 12 (12.0 net) Montney/Doig horizontal natural gas wells, the 1 (1.0 net) Charlie Lake horizontal light oil well in the Worsley area and the 1 (1.0 net) water disposal well in Gordondale. Of the 14 wells drilled to date, 11 (11.0 net) wells have been completed and brought on production and the water disposal well was recently rig released and is expected to be brought into service later in the fourth quarter of 2016. The last two wells are expected to be equipped and tied-in in the first quarter of 2017.

We have three rigs currently drilling, two of which are drilling at Gordondale and one of which is drilling at Pouce Coupe. For the remainder of 2016, we plan to drill 9 (9.0 net) wells, consisting of 6 (6.0 net) wells in the Gordondale area (3 Montney D2 horizontal wells and 3 Montney D1 horizontal wells) and 3 (3.0 net) wells in the Pouce Coupe area (all of which will be Montney D1 horizontal natural gas wells). All nine of these wells are expected to be completed and brought on production in the first quarter of 2017.

In the current economic environment, we are focused on maximizing our capital efficiencies and reducing our drilling, casing, completion, equipping and tie-in costs. As a part of this effort, the 21 Montney/Doig horizontal wells are being drilled from multi-well pads ranging from 2-well pads to a 6-well pad. Multi-well pad drilling allows us to drill continuously through spring break-up, improve our drilling and completion capital efficiencies and reduce our per well costs and environmental footprint. The majority of the pads are already tied-in to our infrastructure system, minimizing the equipping and tie-in costs of the wells.

We have continued to realize increased Montney/Doig well performance in 2016 through designing and engineering our completions by Montney/Doig stratigraphic interval and area within the Pouce Coupe field. Our completion optimization continues to utilize open-hole packer systems and high rate clean slickwater fracture treatments with varying fracture stage spacing and sand tonnages per stage along the horizontal wellbore.

As a result of the strong well performance on our Montney/Doig Resource Play in Pouce Coupe, we anticipate material positive technical revisions to our reserves at year-end 2016.

Montney/Doig Resource Play

Part of our long-term strategy is to continue to explore the Montney/Doig Resource Play, both geographically and stratigraphically. The Montney/Doig Resource Play exists in two geological formations, the Montney and the Doig, and we have divided the geologic column in our area into six drilling intervals from the youngest (top) to the oldest (bottom): (i) the Basal/Doig Upper Montney; (ii) the Montney D4; (iii) the Montney D3; (iv) the Montney D2; (v) the Montney D1; and (vi) the Montney C.

In Gordondale, we have commenced the drilling of 3 (3.0 net) Montney D2 horizontal oil wells. In preparation for the drilling of these Montney D2 wells, we have established a new technical team to manage the Gordondale Assets, as well as continued our detailed reservoir and geoscience analysis.

From inception to September 30, 2016, we have successfully drilled and cased 200 (199.9 net) Montney/Doig horizontal wells. The Gordondale Assets included 87 (82.5 net) Montney/Doig horizontal oil and natural gas producing wells. In total, Birchcliff now owns 287 (282.4 net) Montney/Doig horizontal wells that have been drilled and cased for the Montney/Doig Resource Play.

Charlie Lake Light Oil Resource Play

We continue to develop our Charlie Lake Light Oil Resource Play. However, in light of the current commodity price environment and our focus on the Montney/Doig Resource Play, we have limited our 2016 capital expenditures on this resource play.

In addition, we experienced unplanned downtime at our Worsley property during the third quarter of 2016, which impacted our quarterly average production by approximately 701 boe/d (oil: 350 bbls/d; natural gas: 2,108 Mcf/d). During the fourth quarter of 2016, we expect that this production will continue to be impacted by approximately 1,486 boe/d (oil: 917 bbls/d; natural gas: 3,418 Mcf/d). It is anticipated that the majority of the impacted production will be back on stream early in the first quarter of 2017.

SHAREHOLDER SUPPORT

We thank Mr. Seymour Schulich, our largest shareholder, for his leadership, unwavering commitment and his ongoing support. It is this kind of leadership that keeps our staff motivated and focused on the execution of our business plan.

Mr. Schulich currently holds 35 million common shares representing 13% of the current issued and outstanding common shares.

OUTLOOK

We believe that Birchcliff is in its best operating and financial position since its inception and as a result, we are extremely excited about Birchcliff's future. We have increased our future drilling opportunities and materially improved our financial strength, but we have not left the map sheet.

We remain focused on our strategy – growth by the drill bit in our core area of the Peace River Arch of Alberta. Our strategy is to continue to develop and expand our two very large resource plays, the Montney/Doig Resource Play and the Charlie Lake Light Oil Resource Play, while maintaining low capital costs and operating costs. These resource plays are large enough to provide us with an extensive inventory of repeatable, consistent, low-cost and low-risk drilling opportunities that we expect will provide production and reserves growth for many years. Our strategy is based on the fact that we operate essentially all of our production, our current ownership of large contiguous blocks of high working interest land in our operating areas and our high working interest or 100% ownership in the significant facilities and infrastructure that handle the majority of our production. We continue to reduce our costs and control our capital expenditures primarily because we control the infrastructure that handles the majority of our production. We continue to focus on improving our execution, reducing our costs and increasing our reserves, all leading to improved capital efficiencies and internal rates of return. Due to the combination of industry conditions, the hard work of our people, various cost reduction initiatives and efficient project execution, we have seen a material reduction in our drilling and completion costs.

Our current production is approximately 61,000 boe/d.

Our 2016 fourth quarter average production is estimated to be 62,000 to 63,000 boe/d and our 2016 annual average production is estimated to be 49,000 to 51,000 boe/d. We are excited about our fall drilling program where we plan to drill 6 wells in Gordondale and 3 wells in Pouce Coupe.

As a result of the strong well performance on our Montney/Doig Resource Play in Pouce Coupe, the new wells drilled in 2016 and the reserves acquired pursuant to the Gordondale Acquisition, we expect material reserves additions at year-end 2016.

Our 2017 annual average production is estimated to be 70,000 to 74,000 boe/d and our exit production is expected to be 78,000 to 82,000 boe/d. We expect to fund our 2017 capital expenditures and dividends out of internally generated funds flow. We expect to announce the details of our 2017 capital expenditure program, our 2016 unaudited financial results and 2016 reserves and finding costs on February 8, 2017.

We have implemented a hedging program which we believe will remove some of the volatility of commodity prices and allow us to execute our business plan. Moving forward, it is our expectation that we will hedge up to 50% of our oil and natural gas production in 2017 and continue to hedge in the future.

Our board of directors has approved the Dividend Policy which establishes that until changed by our board of directors, cash dividends will be paid to Shareholders for the quarters ending March 31, June 30, September 30 and December 31. We currently anticipate that the initial dividend payable under the Dividend Policy will be in respect of the quarter ending March 31, 2017 and will be in the amount of \$0.025 per common share. It is expected that the total dividends payable to Shareholders during 2017 will be approximately \$26 million, with a quarterly dividend of \$0.025 per common share and assuming 263 million common shares are issued and outstanding.

Our Five Year Plan contemplates controlled production growth and maintaining a top tier balance sheet, while paying a sustainable quarterly dividend to our common shareholders. We anticipate that we will generate significant free funds flow over the five year period and that we will materially reduce our indebtedness. We are confident in our ability to successfully execute our Five Year Plan as a result of our low decline production, repeatable low cost drilling opportunities, low cost operations and our proven execution.

The goal of doubling our production over the next five years while materially reducing our debt is very achievable by development of our extensive existing asset base. We believe that the less debt you have removes the downside risk of any potential decreases in commodity prices.

Thank you to all of our shareholders for your support and to our staff who continue to go that extra mile for the benefit of all of us.

With Respect,

(signed) "A. Jeffery Tonken"

President and Chief Executive Officer
Birchcliff Energy Ltd.

ABBREVIATIONS

AECO	physical storage and trading hub for natural gas on the TransCanada Alberta transmission system which is the delivery point for various benchmark Alberta index prices
bbl	barrel
bbls	barrels
bbls/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
GAAP	generally accepted accounting principles
GJ	gigajoule
GJ/d	gigajoules per day
IFRS	International Financial Reporting Standards
m ³	cubic metres
Mboe	thousand barrels of oil equivalent
Mcf	thousand cubic feet
Mcfe	thousand cubic feet of gas equivalent
MJ	megajoules
MMcf	million cubic feet
MMcf/d	million cubic feet per day
NGLs	natural gas liquids
WTI	West Texas Intermediate oil at Cushing, Oklahoma, the benchmark for North American crude oil pricing
000s	thousands
\$000s	thousands of dollars

NON-GAAP MEASURES

This press release uses “funds flow”, “funds flow from operations”, “funds flow per common share”, “free funds flow”, “netback”, “operating netback”, “estimated operating netback”, “funds flow netback”, “operating margin”, “total cash costs”, “adjusted working capital deficit (surplus)” and “total debt”. These measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Management believes that these non-GAAP measures assist management and investors in assessing Birchcliff’s profitability, efficiency, liquidity and overall performance. Each of these measures is discussed in further detail below.

“Funds flow” and “funds flow from operations” denote cash flow from operating activities before the effects of decommissioning expenditures and changes in non-cash working capital. “Funds flow per common share” denotes funds flow divided by the basic or diluted weighted average number of

common shares outstanding for the period. Management believes that funds flow, funds flow from operations and funds flow per common share assist management and investors in assessing Birchcliff's profitability, as well as its ability to generate the cash necessary to fund future growth through capital investments, pay dividends on preferred shares and repay debt. The following table provides a reconciliation of cash flow from operating activities, as determined in accordance with IFRS, to funds flow from operations:

(\$000s)	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Cash flow from operating activities	22,144	41,933	49,940	104,011
Adjustments:				
Decommissioning expenditures	270	318	863	646
Change in non-cash working capital	19,261	2,336	24,834	22,402
Funds flow from operations	41,675	44,587	75,637	127,059

"Free funds flow" is calculated by deducting net capital expenditures and preferred share dividend payments (including related dividend tax) for the period from funds flow from operations for the same period. Free funds flow reflects cash available for distribution to Birchcliff's common shareholders and/or to reduce company bank debt. Management uses free funds flow to measure financial performance and liquidity.

"Netback" and "operating netback" denote petroleum and natural gas revenue less royalties, less operating expenses and less transportation and marketing expenses. "Estimated operating netback" of the PCS Gas Plant (and the components thereof) is based upon certain cost allocations and accruals directly attributable to the PCS Gas Plant and related wells and infrastructure on a production month basis. "Funds flow netback" denotes petroleum and natural gas revenue less royalties, less operating expenses, less transportation and marketing expenses, less net general and administrative expenses, less interest expenses and less any realized losses (plus realized gains) on financial instruments and plus any other cash income sources. All netbacks are calculated on a per unit basis. Management believes that netback, operating netback, estimated operating netback and funds flow netback assist management and investors in assessing Birchcliff's profitability and its operating results on a per unit basis to better analyze its performance against prior periods on a comparable basis.

"Operating margin" for the PCS Gas Plant is calculated by dividing the estimated operating netback for the period by the petroleum and natural gas revenue for the period. Management believes that operating margin assists management and investors in assessing the profitability and efficiency of the PCS Gas Plant and Birchcliff's ability to generate operating cash flows (equal to petroleum and natural gas revenue less royalties, less operating expenses and less transportation and marketing expenses).

"Total cash costs" are comprised of royalty, operating, transportation and marketing, general and administrative and interest expenses. Total cash costs are calculated on a per boe basis. Management believes that total cash costs assists management and investors in assessing Birchcliff's efficiency and overall cash cost structure.

"Adjusted working capital deficit (surplus)" is calculated as current assets minus current liabilities excluding the effects of financial instruments. Management believes that adjusted working capital deficit (surplus) assists management and investors in assessing Birchcliff's liquidity. The following table reconciles current assets minus current liabilities to adjusted working capital deficit (surplus):

<i>As at, (\$000s)</i>	September 30, 2016	December 31, 2015
Working capital deficit (surplus)	(22,623)	21,538
Fair value of financial instruments	169	-
Adjusted working capital deficit (surplus)	(22,454)	21,538

“Total debt” is calculated as the revolving term credit facilities plus adjusted working capital deficit (surplus). Management believes that total debt assists management and investors in assessing Birchcliff’s liquidity. The following table provides a reconciliation of the revolving term credit facilities, as determined in accordance with IFRS, to total debt:

<i>As at, (\$000s)</i>	September 30, 2016	December 31, 2015
Revolving term credit facilities	634,534	622,074
Adjusted working capital deficit (surplus)	(22,454)	21,538
Total debt	612,080	643,612

ADVISORIES

Currency

All amounts in this press release are stated in Canadian dollars unless otherwise specified.

Operating Costs

References in this press release to “operating costs” exclude transportation and marketing costs.

Oil and Gas Definitions

Certain terms used herein are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”), CSA Staff Notice 51-324 – *Revised Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* (“**CSA Staff Notice 51-324**”) and/or the Canadian Oil and Gas Evaluation Handbook (the “**COGE Handbook**”) and, unless the context otherwise requires, shall have the same meanings in this press release as in NI 51-101, CSA Staff Notice 51-324 or the COGE Handbook, as the case may be.

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 to 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.

Mcf Conversions

Mcf amounts have been calculated by using the conversion ratio of 1 bbl of oil to 6 Mcf of natural gas. Mcf amounts may be misleading, particularly if used in isolation. A conversion ratio of 1 bbl to 6 Mcf 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.

Conversion from GJ to Mcf

The conversion from an AECO price of CDN\$2.99/GJ to a price of CDN\$3.40/Mcf is calculated using an estimated corporate average heat content value of 40.4 MJ/m³ for 2017, which assumes Birchcliff achieves its forecast product commodity mix.

Drilling Locations

This press release discloses potential net future drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are proposed drilling locations identified in the independent engineering evaluation prepared by Deloitte LLP, Birchcliff's qualified reserves evaluator, in respect of the reserves attributable to Birchcliff's oil and natural gas properties effective December 31, 2015 (the "**Deloitte Report**") or the independent engineering evaluation prepared by McDaniel & Associates Consultants Ltd., Birchcliff's qualified reserves evaluator, in respect of the reserves attributable to the Gordondale Assets effective March 31, 2016 (the "**McDaniel Report**") that have proved and/or probable reserves, as applicable, attributed to them in the Deloitte Report or the McDaniel Report. Unbooked locations are internal estimates based on Birchcliff's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal technical analysis review. Unbooked locations have been identified by management based on evaluation of applicable geologic, seismic, engineering, production and reserves information. Unbooked locations do not have proved or probable reserves attributed to them in the Deloitte Report or the McDaniel Report. Of the 4,870.5 net existing horizontal wells and potential net future horizontal drilling locations identified herein, 653.7 are proved locations, 251.6 are probable locations, 905.3 are proved plus probable locations and 3,965.2 are unbooked locations.

Birchcliff's ability to drill and develop these locations and the drilling locations on which Birchcliff actually drills wells depends on a number of uncertainties and factors, including, but not limited to, the availability of capital, equipment and personnel, oil and natural gas prices, capital and operating costs, inclement weather, seasonal restrictions, drilling results, additional geological, geophysical and reservoir information that is obtained, production rate recovery, gathering system and transportation constraints, net price received for commodities produced, regulatory approvals and regulatory changes. As a result of these uncertainties, there can be no assurance that the potential future drilling locations Birchcliff has identified will ever be drilled or if Birchcliff will be able to produce oil, NGLs or natural gas from these or any other potential drilling locations. As such, Birchcliff's actual drilling activities may materially differ from those presently identified, which could adversely affect Birchcliff's business. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, some of the other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional proved or probable reserves, resources or production.

Oil and Gas Metrics

This press release contains certain oil and gas metrics, including "netback", "operating netback" and "funds flow netback", which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate Birchcliff's performance; however, such measures are not reliable indicators of the future performance of Birchcliff and future performance may not compare to its

performance in previous periods and therefore such metrics should not be unduly relied upon. For information on how such netbacks are calculated, please see “*Non-GAAP Measures*”.

Risk Factors – Payment of Dividends

The declaration of dividends in any quarter and the amount of such dividends, if any, is subject to the discretion of Birchcliff’s board of directors and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, the financial condition of Birchcliff, production levels, results of operations, capital expenditure requirements, working capital requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, contractual restrictions, Birchcliff’s hedging activities or programs, available investment opportunities, any credit ratings applicable to Birchcliff or its securities, Birchcliff’s business plan, strategies and objectives, the satisfaction of the solvency and liquidity tests imposed by the *Business Corporations Act (Alberta)* (the “**ABCA**”) for the declaration and payment of dividends and other factors that Birchcliff’s board of directors may deem relevant. Depending on these and various other factors, many of which are beyond the control of Birchcliff, the Dividend Policy of Birchcliff may vary from time to time and, as a result, future cash dividends could be reduced or suspended entirely.

Pursuant to the ABCA, Birchcliff may not declare or pay a dividend if there are reasonable grounds for believing that: (i) Birchcliff is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares. Additionally, pursuant to the agreement governing Birchcliff’s existing credit facilities, 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.

Dividends may be reduced or suspended during periods of lower funds from operations. The timing and amount of Birchcliff’s capital expenditures, and the ability of Birchcliff to repay or refinance existing debt as it becomes due, directly affects the amount of cash dividends that may be declared by the board of directors. Future acquisitions, expansions of Birchcliff’s assets, and other capital expenditures and the repayment or refinancing of existing debt as it becomes due may be financed from sources such as funds flow from operations, the issuance of additional shares or other securities of Birchcliff, and borrowings. Dividends may be reduced, or even eliminated, at times when significant capital or other expenditures are made. There can be no assurance that sufficient capital will be available on terms acceptable to Birchcliff, or at all, to make additional investments, fund future expansions or make other required capital expenditures. To the extent that external sources of capital, including the issuance of additional shares or other securities or the availability of additional credit facilities, become limited or unavailable on favourable terms or at all due to credit market conditions or otherwise, the ability of Birchcliff to make the necessary capital investments to maintain or expand its operations, to repay outstanding debt and to invest in assets, as the case may be, may be impaired. To the extent Birchcliff is required to use funds flow to finance capital expenditures or acquisitions or to repay existing debt as it becomes due, the level of dividends declared may be reduced.

The market value of Birchcliff’s common shares may deteriorate if dividends are reduced or suspended. Furthermore, the future treatment of dividends for tax purposes will be subject to the nature and composition of dividends paid by Birchcliff and potential legislative and regulatory changes.

The payment of dividends to Shareholders in the future is not assured or guaranteed. The Dividend Policy will be periodically reviewed by Birchcliff’s board of directors and no assurance or guarantee can be given that Birchcliff will maintain the Dividend Policy in its current form.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements and information (collectively referred to as “**forward-looking information**”) within the meaning of applicable Canadian securities laws. Such forward-looking information relates to future events or Birchcliff’s future performance. All information other than historical fact may be forward-looking information. Such forward-looking information is often, but not always, identified by the use of words such as “seek”, “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “estimated”, “forecast”, “potential”, “proposed”, “predict”, “budget”, “continue”, “targeting”, “may”, “will”, “could”, “might”, “should” and other similar words and expressions. This information involves 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 information. Birchcliff believes that the expectations reflected in the forward-looking information are reasonable in the current circumstances but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this press release should not be unduly relied upon.

In particular, this press release contains forward-looking information relating to the following: Birchcliff’s plans and other aspects of its anticipated future operations, focus, objectives, strategies, opportunities, priorities and goals; the intention of Birchcliff to materially grow its production and reserves, to maintain a top tier balance sheet and to pay a sustainable quarterly dividend; the Five Year Plan, including the production and commodity mix forecast by the plan, the focus of, objectives of and anticipated results of the plan, statements that the production growth and capital expenditures contemplated by the plan are expected to be funded out of internally generated funds flow, statements that Birchcliff will generate significant free funds flow over the five year period, statements that the free funds flow is expected to provide Birchcliff with significant financial flexibility, statements that Birchcliff may choose to use such free funds flow to reduce its indebtedness, to increase its capital spending and/or to pay dividends, statements that Birchcliff currently expects that it will materially reduce its indebtedness over the five year period, statements that Birchcliff intends to continue to build and own its own processing facilities and statements that Birchcliff is confident in its ability to successfully execute the plan and achieve its goals; anticipated improvements in capital efficiencies and internal rates of return; Birchcliff’s dividend policy and the payment of dividends, including the amount of and timing of the payment of future dividends, statements that the total dividends payable to common shareholders during 2017 will be approximately \$26 million, statements that Birchcliff does not currently intend to implement a dividend reinvestment plan or stock dividend program, statements that any dividends paid will be funded primarily from internally generated funds flow, statements regarding the sustainability of dividends and statements regarding the tax treatment of dividends; Birchcliff’s hedging strategy and the use of risk-management techniques, including that it expects to hedge up to 50% of its oil and natural gas production in 2017; Birchcliff’s production guidance and expected commodity mix; Birchcliff’s estimates of its net capital expenditures for 2016 and total debt at December 31, 2016; statements that Birchcliff expects material reserves additions and material positive technical revisions to its reserves at year-end 2016; the 2016 Capital Program, including planned capital expenditures and Birchcliff’s plan to drill a total of 23 (23.0 net) wells; Birchcliff’s proposed exploration and development activities and the timing thereof, including wells to be drilled, completed and brought on production; anticipated timing for production to come on-stream; Birchcliff’s expectation that its water disposal well will significantly reduce water transportation and disposal costs; the sources of funding for Birchcliff’s activities and dividends, including statements that Birchcliff expects to fund its 2017 capital expenditures and dividends out of internally generated funds flow; the performance characteristics of Birchcliff’s oil and natural gas properties; decline rates; proposed expansions of the PCS Gas Plant, including the anticipated processing capacities of the PCS Gas Plant after such expansions and the

anticipated timing and costs of such expansions; Birchcliff's future plans for the Elsworth area, including its intention to construct and operate the Elsworth Gas Plant, the anticipated processing capacity of the Elsworth Gas Plant and the anticipated timing thereof; potential future drilling locations and drilling opportunities and that Birchcliff's inventory of drilling opportunities is expected to provide it with production and reserves growth for many years; and that Birchcliff expects to announce the details of its 2017 capital expenditure program, its 2016 unaudited financial results and 2016 reserves and finding costs on February 8, 2017. In addition, information relating to reserves is forward-looking as it involves the implied assessment, based on certain estimates and assumptions, that the reserves exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

With respect to forward-looking information contained in this press release, assumptions have been made regarding, among other things: Birchcliff's ability to develop the Gordondale Assets and obtain the anticipated benefits therefrom; Birchcliff's ability to successfully integrate the Gordondale Assets; prevailing and future commodity prices and differentials, currency exchange rates, interest rates, inflation rates, royalty rates and tax rates; expected funds flow from operations; Birchcliff's future debt levels; the state of the economy and the exploration and production business; the economic and political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes and environmental laws; the sources of funding for Birchcliff's capital expenditure programs and other activities; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures to carry out planned operations; Birchcliff's ability to find opportunities to reduce costs and defer certain capital expenditures; results of future operations; future operating, transportation, marketing and general and administrative costs; the performance of existing and future wells, well production rates and well decline rates; well drainage areas; success rates for future drilling; reserves and resource volumes and Birchcliff's ability to replace and expand oil and gas reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; Birchcliff's ability to access capital; the ability to obtain financing on acceptable terms; the ability to obtain any necessary regulatory approvals in a timely manner; the ability of Birchcliff to secure adequate transportation for its products; Birchcliff's ability to market oil and gas; and the availability of hedges on terms acceptable to Birchcliff.

In addition to the foregoing assumptions, Birchcliff has made the following key assumptions with respect to certain forward-looking information contained in this press release:

- With respect to the Five Year Plan:
 - The plan is based on the following commodity price and exchange rate assumptions over the five year period: an average forecast WTI price of approximately US\$55.00 per bbl of oil; an average forecast AECO price of approximately CDN\$3.00 per GJ of natural gas; and an exchange rate of CDN\$/US\$ of 1.29.
 - The forecast production contained in the plan is subject to similar assumptions as Birchcliff's other production guidance as set forth herein, as well as assumptions regarding future commodity prices and exchange rates, the number of wells drilled over the five year period and the processing capacity and timing of the construction and commissioning of future facilities of Birchcliff.
 - The plan forecasts that approximately 375 wells are drilled over the five year period. The number of wells forecast to be drilled under the plan is subject to similar assumptions regarding the drilling of future wells as set forth herein. The actual number of wells drilled may fluctuate significantly depending on, among other things, the production performance of wells drilled.

- The plan assumes that the Phase V expansion of the PCS Gas Plant (for a total combined processing capacity of 260 MMcf) is operational in October 2017, that the Phase VI expansion of the PCS Gas Plant (for a total combined processing capacity of 340 MMcf/d) is operational in October 2018, that the Phase VII expansion of the PCS Gas Plant (for a total combined processing capacity of 420 MMcf/d) is operational in the fall of 2020 and that the Elsworth Gas Plant (with a processing capacity of 40 MMcf/d) is operational in the fall of 2021.
- With respect to statements that the production growth and capital expenditures contemplated by the plan are expected to be funded out of internally generated funds flow and that Birchcliff is expected to generate significant free funds flow over the five year period, such statements assume that the production targets and commodity price assumptions set forth herein are achieved. These statements also assume that the commodity mix of natural gas, oil and NGLs forecast by Birchcliff is achieved. Statements that Birchcliff expects to fund its 2017 capital expenditures and dividends out of internally generated funds flow are based on the same assumptions.
- With respect to Birchcliff's expectation that the total dividends payable to common shareholders during 2017 will be approximately \$26 million, such expectation assumes that a quarterly dividend of \$0.025 per common share is paid during 2017 and that 263 million common shares are issued and outstanding. See also "*Advisories – Risk Factors – Payment of Dividends*".
- With respect to Birchcliff's production guidance, the key assumptions are that: Birchcliff's capital expenditure programs 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.
- With respect to the estimate of net capital expenditures for 2016, such estimate is net of acquisitions and dispositions (excluding the Gordondale Acquisition) and takes into account proceeds in the amount of \$19 million received by Birchcliff from a disposition completed in the Progress area on April 28, 2016 and payments in the amount of \$0.3 million for minor acquisitions. The key assumptions surrounding such estimate are that: the 2016 Capital Program will be carried out as currently contemplated; and Birchcliff realizes the annual average production target of 49,000 to 51,000 boe/d. In addition, the estimate is based on the following commodity price and exchange rate assumptions during 2016: an annual average WTI price of approximately US\$40.50 per bbl of oil; an AECO price of approximately CDN\$2.00 per GJ of natural gas; and an exchange rate of CDN\$/US\$ of 1.33.
- With respect to the estimate of total debt at December 31, 2016, such estimate assumes net capital expenditures for 2016 of \$145 million and an annual average WTI price of approximately US\$40.50 per bbl of oil and an AECO price of approximately CDN\$2.00 per GJ of natural gas during 2016. In addition, estimated total debt at December 31, 2016 is based on a purchase price for the Gordondale Acquisition of approximately \$612 million, after closing adjustments and other related costs.
- With respect to statements regarding expected reserves increases, the key assumptions are that: the production from Birchcliff's existing and future wells meet or exceed expectations; and in

conducting their reserves evaluations, Birchcliff's independent reserves evaluators will concur with Birchcliff's internal technical interpretations.

- With respect to statements regarding the 2016 Capital Program, such program is based on the following commodity price and exchange rate assumptions during 2016: an annual average WTI price of approximately US\$40.50 per bbl of oil; an AECO price of approximately CDN \$2.00 per GJ of natural gas; and an exchange rate of CDN\$/US\$ of 1.33. 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.
- With respect to statements of future wells to be drilled and brought on production and estimates of potential future drilling locations, the key assumptions are: 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.
- With respect to statements regarding proposed expansions of the PCS Gas Plant, including the anticipated processing capacities of the PCS Gas Plant after such expansions and the anticipated timing of such expansions, the key assumptions are that: future drilling is successful; there is sufficient labour, services and equipment available; Birchcliff will have access to sufficient capital to fund those projects; the key components of the plant will operate as designed; and commodity prices and general economic conditions will warrant proceeding with the construction of such facilities and the drilling of associated wells.
- With respect to statements regarding Birchcliff's intention to construct and operate the Elsworth Gas Plant, including the anticipated processing capacity of such plant and the anticipated timing of such plant, the key assumptions are that: future drilling in the Elsworth area is successful, the acid gas disposal well drilled by Birchcliff is capable of handling the volumes of acid gas to be produced at the plant and complies with all regulatory requirements; there is sufficient labour, services and equipment available; Birchcliff will have access to sufficient capital to fund the plant; and commodity prices and general economic conditions warrant proceeding with the construction of the plant and the drilling of associated wells.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking information as a result of both known and unknown risks and uncertainties including, but not limited to: the failure to realize the anticipated benefits of acquisitions and dispositions, including the Gordondale Acquisition; unforeseen difficulties in integrating the Gordondale Assets into Birchcliff's operations; variances in Birchcliff's actual capital costs, operating costs and economic returns from those anticipated; 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; fluctuations in currency and interest rates; operational risks and liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves and resources; the accuracy of oil and natural gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; uncertainties related to Birchcliff's future potential drilling locations; fluctuations in the costs of borrowing; changes in tax laws, crown royalty rates, environmental laws and incentive programs relating to the oil and natural gas industry and other actions by government authorities, including changes to the royalty and carbon tax regimes and the imposition or

reassessment of taxes; the cost of compliance with current and future environmental laws; political uncertainty and uncertainty associated with government policy changes; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the ability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; the inability to secure adequate production transportation for Birchcliff's products; the occurrence of unexpected events such as fires, equipment failures and other similar events affecting Birchcliff or other parties whose operations or assets directly or indirectly affect Birchcliff; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; stock market volatility; loss of market demand; environmental risks, claims and liabilities; incorrect assessments of the value of acquisitions and exploration and development programs; shortages in equipment and skilled personnel; the absence or loss of key employees; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainty that development activities in connection with its assets will be economical; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; uncertainties associated with credit facilities; counterparty credit risk; risks associated with Birchcliff's hedging program and the risk that hedges on terms acceptable to Birchcliff may not be available; and risks associated with the declaration and payment of dividends, including the discretion of Birchcliff's board of directors to declare dividends.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in Birchcliff's most recent Annual Information Form and in other reports filed with Canadian securities regulatory authorities.

Any future-orientated financial information and financial outlook information (collectively, "FOFI") contained in this press release, as such terms are defined by applicable securities laws, is provided for the purpose of providing information about management's current expectations and plans relating to the future and is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and Birchcliff disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required by applicable law. Readers are cautioned that any FOFI contained herein should not be used for purposes other than those for which it has been disclosed herein.

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

The forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements. The forward-looking information contained in this press release is made as of the date of this press release. Birchcliff is not under any duty to update or revise any of the forward-looking information except as expressly required by applicable securities laws.

About Birchcliff:

Birchcliff is a Calgary, Alberta based intermediate oil and natural gas company with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff's common shares and cumulative redeemable preferred shares, Series A and Series C are listed for trading on the Toronto Stock Exchange under the symbols "BIR", "BIR.PR.A" and "BIR.PR.C", respectively.

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