BIRCHCLIFF
ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES 2020 CAPITAL PROGRAM, 2020 GUIDANCE AND NEW FIVE YEAR PLAN

Calgary, Alberta (January 22, 2020) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its 2020 capital program, 2020 guidance and new five year plan.

"We believe that the key to creating shareholder value is through fully utilizing the available capacity of our existing infrastructure, which is expected to increase our free funds flow, drive down our per unit costs and maximize our operational efficiencies. Our board of directors has approved a new five year plan which contemplates filling our 100% owned and operated natural gas processing plant in Pouce Coupe over the course of 2020 and 2021. This five year plan forecasts that we will generate cumulative free funds flow (adjusted funds flow less F&D capital expenditures) of approximately $760 million over the five year period[1] which will provide us with significant optionality beyond 2020. We envisage continuing to be one of industry's lowest-cost producers as a result of having a large contiguous land and production base with essentially 100% ownership and operatorship, and owning or controlling the vast majority of our infrastructure where we have repeatable drilling opportunities. We are focused on maximizing efficiencies and continuing to improve our drilling results on our Montney/Doig Resource Play and we look forward to the next five years as we execute on our plan," commented Jeff Tonken, President and Chief Executive Officer of Birchcliff.

"For 2020, our board of directors has approved a capital budget of $340 million to $360 million, which targets an annual average production rate of 80,000 to 82,000 boe/d and which is expected to generate approximately $370 million of adjusted funds flow based on the mid-point of our 2020 annual average production guidance. In 2019, we achieved annual average production of approximately 78,000 boe/d (based on field estimates), which was well within our guidance of 77,000 to 79,000 boe/d. We expect to release our unaudited financial and operational results and reserves highlights for the year ended December 31, 2019 on February 12, 2020."

This press release contains forward-looking statements within the meaning of applicable securities laws. For further information regarding the forward-looking statements contained herein, see "Advisories – Forward-Looking Statements". In addition, this press release contains references to "adjusted funds flow", "free funds flow", "netback" and "total debt", which 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. For further information regarding these non-GAAP measures, see "Non-GAAP Measures". With respect to the disclosure of Birchcliff's production contained in this press release, see "Advisories – Production".

2020 CAPITAL PROGRAM

Overview

Birchcliff's 2020 capital program (the "**2020 Capital Program**") marks the first year of Birchcliff's five year plan for 2020 to 2024 (the "**Five Year Plan**"). Key highlights of the 2020 Capital Program are as follows:

- Adjusted funds flow of approximately $370 million is expected to be generated in 2020[1] based on the mid-point of the Corporation's 2020 annual average production guidance.
- Total F&D capital expenditures are estimated to be $340 million to $360 million.
- Annual average production in 2020 is expected to be in the range of 80,000 to 82,000 boe/d, which represents a 3% to 5% increase over Birchcliff's estimated 2019 annual average production. Q4 2020 average production is expected to be in the range of 87,000 to 89,000 boe/d, which represents a 12% to 14% increase over Birchcliff's estimated Q4 2019 average production.

[1] Assumes: (i) an average WTI spot price of US$60.00/bbl; (ii) an average WTI-MSW differential of CDN$8.50/bbl; (iii) an average AECO 5A spot price of CDN$2.10/GJ; (iv) an average Dawn spot price of US$2.50/MMBtu; (v) an average NYMEX HH spot price of US$2.50/MMBtu; and (vi) an exchange rate (CDN$ to US$1) of 1.32. See *"2020 Guidance", "Five Year Plan"* and *"Advisories – Forward-Looking Statements".*

- Production is expected to ramp up in Q3 2020 as the majority of Birchcliff's wells are planned to be brought on production in that quarter, which will coincide with the bringing on-stream of Birchcliff's 20,000 bbls/d (50% condensate, 50% water) inlet liquids-handling facility (the "**Inlet Liquids-Handling Facility**") at its 100% owned and operated natural gas processing plant in Pouce Coupe (the "**Pouce Coupe Gas Plant**").
- In order to minimize frac-driven interaction associated with offset drilling and completions activities, Birchcliff plans to protect its existing wells by proactively shutting-in some production in Q1 2020. As a result, Q1 2020 production is anticipated to decline from Q4 2019 levels and average approximately 71,000 to 74,000 boe/d. Birchcliff actively works to mitigate the impact of frac-driven interaction on its operations.

- In line with Birchcliff's objective of growing its high-value liquids production in 2020, drilling will target condensate-rich natural gas wells in Pouce Coupe and oil wells in Gordondale.
  - Funds will also be directed towards completing the Inlet Liquids-Handling Facility in order to handle increased condensate volumes in Pouce Coupe.
  - Liquids are expected to increase to approximately 24% of Birchcliff's production commodity mix in 2020 (16% condensate and light oil and 8% NGLs), as compared to approximately 22% in 2019.
- The program is heavily weighted towards the first half of the year, with the majority of F&D capital expected to be spent by the end of Q2 2020.
- Birchcliff expects that a total of 38 (38.0 net) wells will be drilled and 44 (44.0 net) wells will be brought on production in 2020.
- Approximately 50% of the program is directed towards Birchcliff's Pouce Coupe area and approximately 40% towards its Gordondale area.
- Approximately 65% of the program is directed towards drilling, completions, equipping and tie-in ("**DCCET**") activities.
- Approximately 21% of the program is directed towards facilities and infrastructure, with spending primarily directed towards the completion of the Inlet Liquids-Handling Facility and the addition of natural gas compression and a significant trunk line in Gordondale.

The following tables set forth further details regarding Birchcliff's expected capital spending allocation and the number and types of wells expected to be drilled and brought on production in 2020:

2020 Capital Program – Capital Expenditures by Classification

Classification	**Capital** *(MM)*
DCCET	
Pouce Coupe(1)	$104 – $110
Gordondale(1)	$95 – $100
Additional Well Completions Capital(2)	$21 – $22
Total DCCET	**$220 – $232**
Facilities and Infrastructure(3)	$72 – $76
Maintenance and Optimization	$25 – $27
Land and Seismic(4)	$5 – $6
Other	$18 – $19
TOTAL F&D Capital Expenditures(5)	**$340 – $360**

(1) On a DCCET basis, the average well cost in 2020 is estimated to be $5.5 million for Pouce Coupe and $5.6 million for Gordondale. These costs can vary depending on factors such as the size of the associated multi-well pads, the costs of construction, the existence of pipelines and other infrastructure and the distance to existing or planned pipelines and other infrastructure.

(2) Represents the estimated completion, equipping and tie-in costs associated with the 6 (6.0 net) wells that were drilled and rig released in Q4 2019.

(3) Includes approximately $35 million for the completion of the Inlet Liquids-Handling Facility and approximately $25 million for the addition of natural gas compression and a significant trunk line in Gordondale.

(4) Includes capital for crown sales and rental payments but does not include other property acquisitions and dispositions.

(5) Net property acquisitions and dispositions have not been included in the table above as these amounts are generally unbudgeted. Birchcliff makes acquisitions and dispositions in the ordinary course of business and any acquisitions and dispositions completed during 2020 could have an impact on Birchcliff's capital expenditures, production, adjusted funds flow, free funds flow, costs and total debt, which impact could be material. See *"Advisories – Capital Expenditures"*.

2020 Capital Program – Wells to be Drilled and Brought on Production

Area	Total wells to be drilled in 2020	Total wells to be brought on production in 2020(1)
Pouce Coupe		
Montney D1 horizontal natural gas wells	4	4
Montney D2 horizontal natural gas wells	9	12
Montney C horizontal natural gas wells	7	8
Total – Pouce Coupe	**20**	**24**
Gordondale		
Montney D1 horizontal oil wells	8	9
Montney D2 horizontal oil wells	9	9
Montney D4 horizontal oil wells	0	1
Montney C horizontal oil wells	1	1
Total – Gordondale	**18**	**20**
TOTAL – COMBINED	**38**	**44**

(1) Includes the 6 (6.0 net) wells that were drilled and rig released in Q4 2019.

If commodity prices and economic conditions improve throughout 2020, the Corporation may give consideration to accelerating 2021 capital into 2020 in order to fill its infrastructure earlier and reduce the amount of capital needed to be spent in 2021. Should commodity prices and economic conditions deteriorate throughout 2020, the Corporation may give consideration to reducing capital spending in 2021 and delaying the filling of its infrastructure until 2022 (see "*Five Year Plan*"). For the commodity price and exchange rate assumptions used by the Corporation in planning its 2020 Capital Program, see *"2020 Guidance"*.

Pouce Coupe

Approximately 50% of the 2020 Capital Program is directed towards Birchcliff's Pouce Coupe area. Key focus areas for Pouce Coupe in 2020 will be the drilling of condensate-rich natural gas wells and the further exploitation and delineation of condensate-rich trends in the Montney D1, D2 and C intervals. In 2020, the Corporation anticipates expanding its development of this area with a new 14-well pad as discussed in further detail below.

As previously disclosed, Birchcliff has initiated construction of the Inlet Liquids-Handling Facility. Once completed, this facility will give Birchcliff the ability to increase its condensate production in the Pouce Coupe area to approximately 10,000 bbls/d (Q3 2019: ~4,500 bbls/d). Fabrication of the various components is underway and site preparation has commenced. The facility is anticipated to be on-stream in Q3 2020.

Gordondale

Approximately 40% of the 2020 Capital Program is directed towards Birchcliff's Gordondale area. Key focus areas for Gordondale in 2020 will be the drilling of crude oil wells and the further exploitation and delineation of oil in the Montney D1, D2 and C intervals, specifically in the southeastern part of the Gordondale field. Birchcliff also plans to further delineate the Montney D4 interval in Gordondale, which is expected to add significant liquids-rich inventory. Birchcliff drilled a Montney D4 well in Q4 2019 which is awaiting completion. Birchcliff has drilled several Montney D4 wells in Pouce Coupe but this is Birchcliff's first Montney D4 well in Gordondale.

Birchcliff has commenced the engineering and procurement for the addition of natural gas compression at both of its 100% owned and operated oil batteries in Gordondale. The Corporation has also initiated construction of a significant trunk line to transport oil, natural gas and water to these batteries from the southeastern portion of the field. Both projects are expected to be completed in Q2 2020.

Multi-Interval Cube-Style Development

Building off the success of its science and technology pad in 2018 that targeted three different intervals (the Montney D1, D2 and C), Birchcliff continues to refine its multi-interval cube-style drilling and completion practices to improve resource recovery and cost efficiency in both Pouce Coupe and Gordondale. This cube-style of development has various other benefits including: (i) it reduces Birchcliff's environmental footprint; (ii) it allows Birchcliff to fracture stimulate (or complete) the wells in a specific order to leverage the rock mechanics behavior;

(iii) it helps to minimize frac-driven interaction with offsetting wells; (iv) it helps to reduce per well costs through common well equipment and pipelines; and (v) it helps to maximize operational scale and repeatability.

In 2020, Birchcliff plans to drill a 14-well pad in Pouce Coupe using multi-interval cube-style development. This pad will utilize two drilling rigs each drilling 7 wells to maximize operational efficiencies through scale and repeatability, which in turn is expected to lead to further savings on a per well basis. This pad is located at 14-19-079-12W6, which is adjacent to the successful condensate-rich wells drilled by Birchcliff in 2019 in the Montney D1, D2 and C intervals at its 14-06-079-12W6 pad. Similarly, Birchcliff plans on using multi-interval cube-style development in Gordondale to drill 10 wells using two drilling rigs on two proximal pads targeting the Montney D1, D2 and D4 intervals.

Activities Year-to-Date

Birchcliff currently has 4 drilling rigs at work, with 2 rigs in the Gordondale area and 2 in the Pouce Coupe area. Year-to-date, Birchcliff has drilled 4 (4.0 net) wells, consisting of 2 (2.0 net) Montney horizontal oil wells in the Gordondale area and 2 (2.0 net) Montney/Doig horizontal natural gas wells in the Pouce Coupe area. All of these wells were drilled on multi-well pads and none have been completed yet.

2020 GUIDANCE

The following table sets forth Birchcliff's guidance and commodity price assumptions for 2020:

	2020 guidance and assumptions(1)
Production	
Annual average production *(boe/d)*	80,000 – 82,000(2)
% Light oil	8%
% Condensate	8%
% NGLs	8%
% Natural gas	76%
Q4 average production *(boe/d)*	87,000 – 89,000
Average Expenses *($/boe)*	
Royalty	1.40 – 1.60
Operating	3.10 – 3.30
Transportation and other	4.90 – 5.10(3)
Adjusted Funds Flow *(MM$)*	370(4)
F&D Capital Expenditures *(MM$)*	340 – 360(5)(6)
Free Funds Flow *(MM$)*	10 – 30(7)
Total Debt at Year End *(MM$)*	645 – 665(8)
Natural Gas Market Exposure(9)	
AECO exposure as a % of total natural gas production	22%
Dawn exposure as a % of total natural gas production	44%
NYMEX HH exposure as a % of total natural gas production	33%
Alliance exposure as a % of total natural gas production	1%
Commodity Prices	
Average WTI spot price *(US$/bbl)*	60.00
Average WTI-MSW differential *(CDN$/bbl)*	8.50
Average AECO 5A spot price *(CDN$/GJ)*	2.10
Average Dawn spot price *(US$/MMBtu)*	2.50
Average NYMEX HH spot price *(US$/MMBtu)*(10)	2.50
Exchange rate *(CDN$ to US$1)*	1.32

(1) Birchcliff's guidance for its commodity mix, adjusted funds flow and natural gas market exposure in 2020 is based on an annual average production rate of 81,000 boe/d during 2020, which is the mid-point of Birchcliff's annual average production guidance for 2020.
(2) As compared to Birchcliff's preliminary production guidance range of 78,000 to 82,000 boe/d previously disclosed on November 14, 2019.
(3) Includes transportation tolls for 175,000 GJ/d of natural gas sold at the Dawn price and includes any unused firm transportation costs associated with Birchcliff's commitments on the NGTL system.
(4) Birchcliff's estimate of adjusted funds flow takes into account the effects of its commodity risk management contracts outstanding as at January 22, 2020.

(5) Birchcliff's estimate of F&D capital expenditures excludes any net potential acquisitions and dispositions and corresponds to Birchcliff's 2020 F&D capital budget. See *"2020 Capital Program"* and *"Advisories – Capital Expenditures"*.
(6) As compared to Birchcliff's preliminary guidance range of $250 million to $350 million previously disclosed on November 14, 2019.
(7) Free funds flow is calculated as adjusted funds flow less F&D capital expenditures and is prior to acquisitions and dispositions, dividend payments, ARO, administrative assets, financing fees and capital lease obligations. See *"Non-GAAP Measures"*.
(8) The total debt amount set forth in the table above assumes the following: (i) that the timing and amount of common share and preferred share dividends paid by the Corporation remains consistent with previous years, with the dividend rates remaining flat; (ii) that there are 2,000,000 series A and 2,000,000 series C preferred shares outstanding; (iii) that the 2020 Capital Program will be carried out as currently contemplated and the level of capital spending set forth herein will be achieved; and (iv) the targets for production, commodity mix, capital expenditures, adjusted funds flow, free funds flow and natural gas market exposure and the commodity price and exchange rate assumptions set forth herein are met. The amount set forth in the table above does not include annual cash incentive payments.
(9) Birchcliff's guidance regarding its natural gas market exposure in 2020 assumes: (i) 175,000 GJ/d being sold at the Dawn index price; (ii) 5 MMcf/d being sold at Alliance's Trading Pool daily index price until October 31, 2020; and (iii) 132,500 MMBtu/d being hedged on a financial and physical basis at a fixed basis differential between the AECO 7A price and the NYMEX HH price.
(10) $1.00 per MMBtu equals $1.00 per Mcf based on a standard heat value of 37.4 MJ/m^3 or a heat uplift of 1.055 when converting from $/GJ.

Adjusted Funds Flow Sensitivity

The following table illustrates the expected impact of changes in commodity prices and the CDN/US exchange rate on the Corporation's estimate of adjusted funds flow for 2020 of $370 million, after taking into account the effects of its commodity risk management contracts outstanding as at January 22, 2020:

	Estimated change to 2020 adjusted funds flow *(MM$)*(1)(2)
Change in WTI US$1.00/bbl	6
Change in NYMEX HH US$0.10/MMBtu	7
Change in Dawn US$0.10/MMBtu	8
Change in AECO CDN$0.10/GJ	3
Change in CDN/US exchange rate CDN$0.01	3

(1) See the guidance table above.
(2) The calculated impact on adjusted 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.

Changes in assumed commodity prices and variances in production estimates can have a significant impact on the Corporation's estimate of adjusted funds flow.

For further information regarding Birchcliff's guidance, see *"Advisories – Forward-Looking Statements".*

FIVE YEAR PLAN

Overview

Birchcliff's Five Year Plan is expected to generate strong economic returns and increase shareholder value over the long-term. Key highlights of the Five Year Plan are as follows:

- Fully utilizing the available capacity of the Corporation's existing infrastructure.
- Increasing the Corporation's free funds flow.
- Maintaining and strengthening the Corporation's balance sheet and financial flexibility and reducing indebtedness over the five year period.
- Focusing on shareholder returns, including its common share dividend and share buybacks.
- Targeting capital spending to be less than adjusted funds flow each year.
- Generating profitable production and liquids growth.

Key Metrics

The following table summarizes the key metrics of the Five Year Plan(1)(2):

	2020	2021	2022	2023	2024
Annual Average Production *(boe/d)*	80,000 – 82,000	90,000	96,500	96,500	96,500
Liquids *(%)*	24	24	24	24	24
Q4 Average Production *(boe/d)*	87,000 – 89,000	96,500	96,500	96,500	96,500
Total Wells Brought on Production	44	52	43	39	31
Annual Adjusted Funds Flow *(MM)*(3)	$370	$435	$480	$485	$510
Annual F&D Capital Expenditures *(MM)*	$340 – $360	$350	$300	$280	$240
Annual Free Funds Flow *(MM)*	$10 – $30	$85	$180	$205	$270
Cumulative Free Funds Flow *(MM)*(4)	$10 – $30	$105	$285	$490	$760
Total Debt at Year End *(MM)*(4)(5)	$645 – $665	$615	$485	$325	$100

(1) See *"Advisories – Forward-Looking Statements"*.

(2) Assumes the following commodity prices and exchange rate over the five year period: (i) an average WTI spot price of US$60.00/bbl; (ii) an average WTI-MSW differential of CDN$8.50/bbl; (iii) an average AECO 5A spot price of CDN$2.10/GJ; (iv) an average Dawn spot price of US$2.50/MMBtu; (v) an average NYMEX HH spot price of US$2.50/MMBtu; and (vi) an exchange rate (CDN$ to US$1) of 1.32. In addition, the Five Year Plan assumes that any incremental natural gas production above the Corporation's forecasted production for 2020 is sold at the AECO 5A spot price.

(3) Birchcliff's estimates of adjusted funds flow take into account the effects of its commodity risk management contracts outstanding as at January 22, 2020.

(4) The Corporation has used the mid-point of its 2020 guidance for free funds flow and total debt at year end in determining the cumulative free funds flow and total debt at year end for 2021 to 2024.

(5) The total debt amounts set forth in the table above assume the following: (i) that any free funds flow remaining after the payment of dividends, ARO and other amounts for administrative assets, financing fees and capital lease obligations is allocated towards debt reduction; (ii) that the timing and amount of common share and preferred share dividends paid by the Corporation remains consistent with previous years, with the dividend rates remaining flat; (iii) that there are 2,000,000 series A and 2,000,000 series C preferred shares outstanding; (iv) that the capital programs for each year will be carried out as currently contemplated and the level of capital spending set forth above will be achieved; and (v) the targets for production, commodity mix, capital expenditures, adjusted funds flow and free funds flow and the commodity price and exchange rate assumptions set forth herein are met. The amounts set forth in the table above do not include annual cash incentive payments.

Adjusted Funds Flow Sensitivity

The following table illustrates the expected impact of changes in commodity prices and the CDN/US exchange rate on the Corporation's estimate of cumulative adjusted funds flow from 2020 to 2024 and after taking into account the effects of its commodity risk management contracts outstanding as at January 22, 2020:

	Estimated change to 2020-2024 cumulative adjusted funds flow *(MM$)*(1)(2)
Change in WTI US$1.00/bbl	38
Change in NYMEX HH US$0.10/MMBtu	39
Change in Dawn US$0.10/MMBtu	42
Change in AECO CDN$0.10/GJ	24
Change in CDN/US exchange rate CDN$0.01	21

(1) See the key metrics table above.

(2) The calculated impact on cumulative adjusted 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.

Changes in assumed commodity prices and variances in production estimates can have a significant impact on the Corporation's estimates of adjusted funds flow. For further information, see *"Advisories – Forward-Looking Statements"*.

Fully Utilizing the Available Capacity of the Corporation's Existing Infrastructure

Birchcliff believes that the key to creating shareholder value is through fully utilizing the available capacity of its existing infrastructure, which is expected to drive down its operating and other cash costs on a per unit basis and maximize its operational efficiencies. This in turn will allow the Corporation to increase its netbacks and its free funds flow.

Accordingly, Birchcliff plans to fill its 100% owned and operated Pouce Coupe Gas Plant over the course of 2020 and 2021 (which is currently operating at approximately 80% of its total processing capacity of 340 MMcf/d), as well as utilize its available capacity at AltaGas' gas plant in Gordondale. Birchcliff believes that keeping such infrastructure at or near capacity will help to create additional shareholder value as outlined above and will also allow Birchcliff to leverage its previous capital investment in the Pouce Coupe Gas Plant and reduce its unutilized firm transportation capacity on the NGTL system which the Corporation is currently paying for.

Birchcliff expects that the number of wells required to fill the Pouce Coupe Gas Plant to capacity can be drilled and completed over the course of 2020 and 2021 (see *"2020 Capital Program"* above). However, Birchcliff has the ability to reduce the rate of drilling and expand the time horizon over which to fill the Pouce Coupe Gas Plant in order to protect its balance sheet and common share dividend. Given current economic and industry conditions, Birchcliff currently has no plans to invest in further phases of the Pouce Coupe Gas Plant or other significant infrastructure beyond 2020.

Increasing the Corporation's Free Funds Flow

The Five Year Plan forecasts that cumulative free funds flow of approximately $760 million will be generated over the five year period based on the commodity price assumptions set forth herein. As the level of capital spending decreases over the course of the plan, free funds flow is expected to steadily increase as the focus of the plan shifts to maintaining production and free funds flow generation. Any free funds flow will be allocated by Birchcliff based on what it believes will provide the most value to shareholders, with alternatives that may include debt reduction, the payment of dividends and common share buybacks, with priority expected to be given to debt reduction and the payment of Birchcliff's existing dividends.

Maintaining and Strengthening the Balance Sheet and Financial Flexibility and Reducing Indebtedness

Birchcliff is focused on maintaining and strengthening its balance sheet and its financial flexibility. As discussed above, priority is expected to be given to debt reduction with respect to the allocation of any free funds flow generated over the course of the Five Year Plan. The Corporation's total debt could be reduced to approximately $100 million at December 31, 2024, assuming the Corporation chose to allocate any free funds flow remaining after the payment of dividends, ARO and other amounts for administrative assets, financing fees and capital lease obligations towards debt reduction and based on the other assumptions set forth herein.

Focusing on Shareholder Returns – Dividends and Common Share Buybacks

The Five Year Plan contemplates that Birchcliff will continue to pay to shareholders a sustainable common share dividend. In addition, the capacity within the Five Year Plan for significant free funds flow generation will position the Corporation to consider increasing its common share dividend.

The anticipated free funds flow will also provide Birchcliff with optionality to consider common share buybacks. Birchcliff's current normal course issuer bid allows it to purchase up to 13,296,761 common shares during the period from November 25, 2019 to November 24, 2020. For further details regarding Birchcliff's normal course issuer bid, see its press release dated November 19, 2019.

Any such determinations will depend on free funds flow levels, debt levels and economic and industry conditions, among other things.

Targeting Capital Spending to be Less than Adjusted Funds Flow Each Year

Birchcliff's F&D capital expenditures are expected to increase in 2020 and 2021 commensurate with the increased drilling and infrastructure necessary to fill the Pouce Coupe Gas Plant. Thereafter, as the focus of the Five Year Plan shifts to maintaining production and free funds flow generation, F&D capital expenditures are expected to steadily decrease over 2022 to 2024 as the base decline of the Corporation's assets falls and it requires less F&D capital each year to maintain production. In order to protect its balance sheet and common share dividend, capital spending will be targeted to be less than Birchcliff's forecast of adjusted funds flow in each year.

Birchcliff expects that its forecast adjusted funds flow will be sufficient to fund its F&D capital expenditures based on the commodity price assumptions set forth herein. In the event that Birchcliff's adjusted funds flow is not sufficient to fund all of its capital expenditure requirements, it is expected that such expenditures would be funded through drawdowns under the Corporation's credit facilities, to the extent that the annual F&D capital expenditures set forth in the Five Year Plan have not been reduced. During the first two years of the Five Year Plan, Birchcliff's free funds flow may not be sufficient to fund all of Birchcliff's other capital requirements (such as dividend and asset retirement obligations). Any such requirements in excess of free funds flow are expected to be funded through drawdowns under Birchcliff's credit facilities.

Generating Profitable Production and Liquids Growth

Birchcliff expects that its annual average production growth will be 3% to 5% in 2020 and 10% to 13% in 2021 as the rate of drilling increases in those years in order to drill the necessary wells to fill the Pouce Coupe Gas Plant to at or near capacity. Thereafter, annual average production levels are expected to level out and remain relatively stable at approximately 96,500 boe/d over 2022 to 2024. Birchcliff has the necessary lands and drilling inventory to achieve this production profile, allowing it to execute the Five Year Plan without relying on asset or corporate acquisitions.

The Five Year Plan is also focused on growing the Corporation's high-value liquids production and drilling will target condensate-rich natural gas wells in Pouce Coupe and oil wells in Gordondale. Birchcliff has been steadily increasing liquids in its overall commodity mix, especially in Pouce Coupe where the Corporation has been targeting condensate-rich natural gas wells. The Corporation's Inlet Liquids-Handling Facility in Pouce Coupe, which is scheduled to come on-stream in Q3 2020, will allow it to handle increased condensate volumes in the area (see *"2020 Capital Program"*). Liquids are expected to increase to approximately 24% of Birchcliff's production commodity mix in 2020 as compared to 2019 and will thereafter remain consistent over 2021 to 2024. On an absolute basis, Birchcliff's liquids production is expected to increase by 35% from Q4 2019 to Q4 2024.

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
ARO	abandonment and reclamation obligations
bbl	barrel
bbls/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
condensate	pentanes plus (C5+)
F&D	finding and development
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
liquids	light oil, condensate and NGLs
m^3	cubic metres
Mcf	thousand cubic feet
MJ	megajoule
MM	millions
MM$	millions of dollars
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf/d	million cubic feet per day
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
NGTL	NOVA Gas Transmission Ltd.
NYMEX	New York Mercantile Exchange
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade

NON-GAAP MEASURES

This press release uses "adjusted funds flow", "free funds flow", "netback" 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. "Adjusted funds flow" denotes cash flow from operating activities before the effects of decommissioning expenditures and changes in non-cash working capital. "Free funds flow" denotes adjusted funds flow less F&D capital expenditures. "Operating netback" denotes petroleum and natural gas revenue less royalty expense, less operating expense and less transportation and other expense and "adjusted funds flow netback" denotes petroleum and natural gas revenue less royalty expense, less operating expense, less transportation and other expense, less net general and administrative expense, less interest expense and less any realized losses (plus realized gains) on financial instruments and plus any other cash income sources. "Total debt" is calculated as the revolving term credit facilities plus adjusted working capital deficit. Management believes that these non-GAAP measures assist management and investors in assessing Birchcliff's profitability, efficiency, liquidity and overall performance. For additional information regarding these non-GAAP measures, see *"Non-GAAP Measures"* in Birchcliff's most recently filed management's discussion and analysis filed on SEDAR.

ADVISORIES

Unaudited Information

All financial and operational information contained in this press release for the fourth quarter and year ended December 31, 2019, including information regarding average production and production commodity mix, is based on unaudited estimated results. These estimated results are subject to change upon completion of the audited financial statements for the year ended December 31, 2019, and changes could be material. Birchcliff anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2019 on SEDAR on March 11, 2020.

Currency

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

MMBtu Pricing Conversions

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

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.

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry, including netbacks. 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 where similar terminology is used. 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 netbacks, see *"Non-GAAP Measures"*.

Capital Expenditures

Unless otherwise stated, references in this press release to "F&D capital" denotes capital for land, seismic, workovers, drilling and completions and well equipment and facilities.

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 "natural gas" mean "shale gas", which also includes an immaterial amount of "conventional natural gas", as such terms are defined in NI 51-101; and (iii) NI 51-

101 includes condensate within the product type of natural gas liquids. Birchcliff has disclosed condensate values separately from natural gas liquids as Birchcliff believes it provides a more accurate description of its operations and results therefrom.

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, operations or performance 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" 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 the following:

- Birchcliff's plans and other aspects of its anticipated future financial performance, results, operations, focus, objectives, strategies, opportunities, priorities and goals, including: that Birchcliff envisages continuing to be one of industry's lowest-cost producers; and that Birchcliff is focused on maximizing efficiencies and continuing to improve its drilling results on its Montney/Doig Resource Play;
- the information set forth under the heading *"2020 Capital Program"* and elsewhere in this press release as it relates to the 2020 Capital Program and Birchcliff's proposed exploration and development activities and the timing thereof, including: the focus of, the objectives of, the anticipated results from and expected benefits of the 2020 Capital Program; estimates of adjusted funds flow, capital expenditures and capital allocation in 2020; statements regarding production in 2020 (including: estimates of annual average, Q1 and Q4 production and production increases; statements that production is expected to ramp up in Q3 2020 as the majority of wells are planned to be brought on production in that quarter; and statements that Birchcliff plans to shut-in some production in Q1 2020 in order to minimize frac-driven interaction and that Q1 2020 production is anticipated to decline from Q4 2019 levels and average approximately 71,000 to 74,000 boe/d); statements that drilling will target condensate-rich natural gas wells in Pouce Coupe and oil wells in Gordondale; statements regarding the Inlet Liquids-Handling Facility (including: the capacity of the facility; the anticipated timing for the completion of the facility; and that the facility will give Birchcliff the ability to grow its condensate production to 10,000 bbls/d in Pouce Coupe); statements that liquids are expected to increase to approximately 24% of Birchcliff's production commodity mix in 2020; statements that the program is heavily weighted towards the first half of the year, with the majority of F&D capital expected to be spent by the end of Q2 2020; statements regarding the number and types of wells expected to be drilled and brought on production; estimated average well costs in 2020; statements that if commodity prices and economic conditions improve throughout 2020, the Corporation may give consideration to accelerating 2021 capital into 2020 in order to fill its infrastructure earlier and reduce the amount of capital needed to be spent in 2021; statements that should commodity prices and economic conditions deteriorate throughout 2020, the Corporation may give consideration to reducing capital spending in 2021 and delaying the filling of its infrastructure until 2022; and the anticipated benefits associated with multi-interval cube-style development;

- the information set forth under the heading *"2020 Guidance"* and elsewhere in this press release as it relates to Birchcliff's 2020 guidance, including: estimates of annual and Q4 average production, annual commodity mix, average expenses, adjusted funds flow, F&D capital expenditures, free funds flow, total debt and natural gas market exposure; and the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's estimate of adjusted funds flow;
- the information set forth under the heading *"Five Year Plan"* and elsewhere in this press release as it relates to the Five Year Plan, including: the expected benefits of the Five Year Plan (including: that the Five Year Plan is expected to generate strong economic returns and increase shareholder value over the long-term); estimates of annual and Q4 average production, commodity mix, total wells to be brought on production, adjusted funds flow, F&D capital expenditures, free funds flow and total debt; the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's estimate of cumulative adjusted funds flow; statements regarding Birchcliff's plans to utilize its infrastructure (including: Birchcliff's belief that the key to creating shareholder value is through fully utilizing the available capacity of its existing infrastructure, which is expected to drive down its operating and other cash costs on a per unit basis and maximize its operational efficiencies which in turn will allow the Corporation to increase its netbacks and its free funds flow; that Birchcliff plans to fill its Pouce Coupe Gas Plant over the course of 2020 and 2021, as well as utilize its available capacity at AltaGas' gas plant in Gordondale; Birchcliff's belief that keeping such infrastructure at or near capacity will help to create additional shareholder value and also allow Birchcliff to leverage its previous capital investment in the Pouce Coupe Gas Plant and reduce its unutilized firm transportation capacity; Birchcliff's expectation that the number of wells required to fill the Pouce Coupe Gas Plant to capacity can be drilled and completed over the course of 2020 and 2021; that Birchcliff has the ability to reduce the rate of drilling and expand the time horizon over which to fill the Pouce Coupe Gas Plant; and that Birchcliff currently has no plans to invest in further phases of the Pouce Coupe Gas Plant or other significant infrastructure beyond 2020); statements regarding free funds flow (including: the significant optionality provided by the forecast free funds flow; that as the level of capital spending decreases over the course of the plan, free funds flow is expected to steadily increase as the focus of the plan shifts to maintaining production and free funds flow generation; and that any free funds flow will be allocated by Birchcliff based on what it believes will provide the most value to shareholders, with alternatives that may include debt reduction, the payment of dividends and common share buybacks, with priority expected to be given to debt reduction and the payment of Birchcliff's existing dividends); statements regarding the Corporation's balance sheet, financial flexibility and reducing indebtedness (including: that Birchcliff is focused on maintaining and strengthening its balance sheet and its financial flexibility; and that the Corporation's total debt could be reduced to approximately $100 million at December 31, 2024, assuming the Corporation chose to allocate any free funds flow remaining after the payment of dividends, ARO and other amounts for administrative assets, financing fees and capital lease obligations towards debt reduction); statements regarding shareholder returns (including: that the Five Year Plan contemplates that Birchcliff will continue to pay to shareholders a sustainable common share dividend; that the capacity within the Five Year Plan for significant free funds flow generation will position the Corporation to consider increasing its common share dividend; and statements regarding potential share buybacks and Birchcliff's normal course issuer bid); statements regarding capital spending during the Five Year Plan (including: that Birchcliff's F&D capital expenditures are expected to increase in 2020 and 2021 and then decrease over 2022 to 2024 as the base decline of the Corporation's assets falls and it requires less F&D capital each year to maintain production; that F&D capital spending will be targeted to be less than Birchcliff's forecast of adjusted funds flow in each year and Birchcliff's expectation that its forecast adjusted funds flow will be sufficient to fund its F&D capital expenditures; that in the event that Birchcliff's adjusted funds flow is not sufficient to fund all of its capital expenditure requirements, such expenditures would be funded through drawdowns under the Corporation's credit facilities; that during the first two years of the Five Year Plan, Birchcliff's free funds flow may not be sufficient to fund all of Birchcliff's other capital requirements and that any such requirements in excess of free funds flow are expected to be funded through drawdowns under Birchcliff's credit facilities); and statements regarding production and liquids growth (including: estimates of annual average production increases in 2020 and 2021; that annual average production levels are expected to level out and remain relatively stable at approximately 96,500 boe/d over 2022 to 2024; that the Five Year Plan is focused on growing the Corporation's

high-value liquids production and drilling will target condensate-rich natural gas wells in Pouce Coupe and oil wells in Gordondale; and estimates of increases in liquids);

- the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets; and
- Birchcliff's estimated 2019 results and that Birchcliff expects to release its unaudited financial and operational results and reserves highlights for the year ended December 31, 2019 on February 12, 2020 and file its audited financial statements and related management's discussion and analysis for the year ended December 31, 2019 on March 11, 2020.

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, currency 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 environmental, climate change and other laws; future cash flow, debt and dividend levels; future operating, transportation, marketing, general and administrative 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; the success of new wells drilled; reserves and resource 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 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 availability of hedges on terms acceptable to Birchcliff; 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:

- Birchcliff's 2020 guidance and Five Year Plan assume the following commodity prices and exchange rate: an average WTI spot price of US$60.00/bbl; an average WTI-MSW differential of CDN$8.50/bbl; an average AECO 5A spot price of CDN$2.10/GJ; an average Dawn spot price of US$2.50/MMBtu; an average NYMEX HH spot price of US$2.50/MMBtu; and an exchange rate (CDN$ to US$1) of 1.32.
- With respect to estimates of 2020 capital expenditures and Birchcliff's spending plans for 2020, such estimates and plans assume that the 2020 Capital Program will be carried out as currently contemplated.
    - Birchcliff makes acquisitions and dispositions in the ordinary course of business. Any acquisitions and dispositions completed could have an impact on Birchcliff's capital expenditures, production, adjusted funds flow, free funds flow, costs and total debt, which impact could be material.
    - 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.
- With respect to Birchcliff's estimates of adjusted and free funds flow for 2020, such estimates assume that: the 2020 Capital Program will be carried out as currently contemplated and the level of capital spending for 2020 set forth herein will be achieved; and the targets for production, commodity mix and natural gas market exposure and the commodity price and exchange rate assumptions set forth herein are met.
- With respect to Birchcliff's production guidance, such guidance assumes that: Birchcliff's capital 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. Birchcliff's production guidance may be affected by acquisition and disposition activity.

- With respect to statements of future wells to be drilled and brought on production, 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 the Five Year Plan, the plan is based on the commodity price, exchange rate and other assumptions set forth under the heading *"Five Year Plan – Overview"*. In addition:
  - The forecast production estimates contained in the Five Year Plan are subject to similar assumptions set forth herein for Birchcliff's other production guidance.
  - With respect to Birchcliff's estimates of capital expenditures and spending plans, such estimates and plans assume that: Birchcliff's capital programs are carried out as currently contemplated, with the Pouce Coupe Gas Plant being filled over the course of 2020 and 2021 and the Inlet Liquids-Handling Facility being completed in Q3 2020. The Five Year Plan also forecasts that approximately 209 wells are brought on production over the five year period, which is subject to similar assumptions regarding wells drilled and brought on production as set forth herein.
  - With respect to Birchcliff's estimates of adjusted and free funds flow, such estimates assume that: Birchcliff's capital programs will be carried out as currently contemplated and the level of capital spending for each year will be achieved; and the targets for production and commodity mix and the commodity price and exchange rate assumptions set forth herein are met.
  - The internal projections, expectations and beliefs underlying the Five Year Plan are subject to change in light of ongoing results and prevailing economic and industry conditions.

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: 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 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; 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 affecting Birchcliff or other parties whose operations or assets directly or indirectly affect Birchcliff; an inability to access sufficient water or other fluids needed for operations; uncertainty that development activities in connection with Birchcliff's assets will be economical; an inability to access or implement some or all of the technology necessary to efficiently and effectively operate its assets and achieve expected future results; uncertainties associated with estimating oil and natural gas reserves and resources; 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, including delays in the completion of gas plants and other facilities; 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 and other actions by government authorities; an inability of the Corporation to comply with existing and future environmental, climate change and other laws; the cost of compliance with current and future environmental laws; political uncertainty and uncertainty associated with government policy changes; dependence on facilities, gathering lines and pipelines, some of which the Corporation does not control; 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; a failure to comply with covenants under Birchcliff's credit facilities; 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 credit facilities and counterparty credit risk; risks associated with Birchcliff's risk management activities and the risk that hedges on terms acceptable to Birchcliff may not be available; risks associated with the declaration and payment of future dividends, including the discretion of Birchcliff's board of directors to declare dividends and change the Corporation's dividend policy; 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, including transportation and hydraulic fracturing involving 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; the accuracy of the Corporation's accounting estimates and judgments; and potential requirements under applicable accounting standards for the impairment or reversal of estimated recoverable amounts of the Corporation's assets from time to time.

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.

This press release contains information that may constitute future-orientated financial information or financial outlook information (collectively, "**FOFI**") about Birchcliff's prospective results of operations including, without limitation, adjusted funds flow, free funds flow and total debt, 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. FOFI contained herein was 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 FOFI statements, whether as a result of new information, future events or otherwise.

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 contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements 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, whether as a result of new information, future events or otherwise.

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.

For further information, please contact:

Birchcliff Energy Ltd.
Suite 1000, 600 – 3rd Avenue S.W.
Calgary, Alberta T2P 0G5
Telephone: (403) 261-6401
Email: info@birchcliffenergy.com
www.birchcliffenergy.com

Jeff Tonken – President and Chief Executive Officer

Bruno Geremia – Vice-President and Chief Financial Officer