BIRCHCLIFF ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES 2021 CAPITAL PROGRAM AND UPDATED FIVE YEAR PLAN

Calgary, Alberta (January 20, 2021) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its 2021 capital program and updated five year plan.

"Our priorities over the next five years are to maximize free funds flow generation and strengthen our balance sheet. We believe this strategy will provide us with the most optionality to maximize long-term shareholder returns and take advantage of future opportunities. In furtherance of these priorities, our board of directors has approved an F&D capital budget of $210 million to $230 million for 2021, which targets an annual average production rate of 78,000 to 80,000 boe/d. This targeted annual average production is expected to generate approximately $360 million of adjusted funds flow and free funds flow of $130 million to $150 million in 2021[1]. Free funds flow will be used primarily to strengthen our balance sheet. We are targeting to reduce our total debt at year end 2021 by up to $130 million from December 31, 2020 based on our anticipated F&D capital spending, annual average production and free funds flow in 2021," commented Jeff Tonken, President and Chief Executive Officer of Birchcliff.

Jeff Tonken continued: "In alignment with the above priorities, our board of directors has approved an updated five year plan which provides for potential cumulative free funds flow of approximately $960 million by the end of the five years based on our targeted F&D capital spending, annual average production and adjusted funds flow over the period[2]. Free funds flow generated during the course of the five year plan will be prioritized towards debt reduction. In the first two years of the plan, our F&D capital spending will be focused on maintaining a relatively flat production profile in order to strengthen our balance sheet. In the last three years of the plan, we intend to focus on fully utilizing the available processing 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."

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 uses the terms "adjusted funds flow", "free funds flow", "transportation and other expense" 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".

RELEASE OF UNAUDITED RESULTS FOR 2020 – FEBRUARY 10, 2021

In Q4 2020, Birchcliff achieved average production of approximately 78,500 boe/d[3] (based on field estimates), which was the mid-point of its guidance of 78,000 to 79,000 boe/d. In 2020, Birchcliff achieved annual average production of approximately 76,500 boe/d[4] (based on field estimates), which was the mid-point of its guidance of 76,000 to 77,000 boe/d. Birchcliff expects to release its unaudited financial and operational results and reserves highlights for the year ended December 31, 2020 on February 10, 2021.

[1] Birchcliff's estimate of adjusted funds flow of $360 million is based on an annual average production rate of 79,000 boe/d, which represents the mid-point of the Corporation's 2021 annual average production guidance range. Assumes the following commodity prices and exchange rate in 2021: (i) an average WTI price of US$50.00/bbl; (ii) an average WTI-MSW differential of CDN$6.00/bbl; (iii) an average AECO 5A price of CDN$2.50/GJ; (iv) an average Dawn price of US$2.75/MMBtu; (v) an average NYMEX HH price of US$2.80/MMBtu; and (vi) an exchange rate (CDN$ to US$1) of 1.27. See *"2021 Guidance"* and *"Advisories – Forward-Looking Statements"*.

[2] Assumes the following commodity prices and exchange rate over 2021 to 2025: (i) an average WTI price of US$50.00/bbl; (ii) an average WTI-MSW differential of CDN$6.00/bbl; (iii) an average AECO 5A price of CDN$2.50/GJ; (iv) an average Dawn price of US$2.75/MMBtu; (v) an average NYMEX HH price of US$2.80/MMBtu; and (vi) an exchange rate (CDN$ to US$1) of 1.27. See *"Five Year Plan"* and *"Advisories – Forward-Looking Statements".*

[3] Consists of approximately 362 MMcf/d of natural gas, 6,378 bbls/d of condensate, 8,165 bbls/d of NGLs and 3,671 bbls/d of light oil.

[4] Consists of approximately 352 MMcf/d of natural gas, 5,754 bbls/d of condensate, 7,620 bbls/d of NGLs and 4,441 bbls/d of light oil.

2021 CAPITAL PROGRAM

Overview

Birchcliff's 2021 capital program (the "**2021 Capital Program**") marks the first year of its five year plan for 2021 to 2025 (the "**Five Year Plan**") and is focused on maximizing free funds flow generation and strengthening Birchcliff's balance sheet. Birchcliff's 2021 F&D capital budget of $210 million to $230 million targets an annual average production rate of 78,000 to 80,000 boe/d, with a production commodity mix of approximately 76% natural gas and 24% liquids. None of Birchcliff's production is currently subject to fixed price commodity hedges, which will allow it to capitalize on strengthening commodity prices. This, coupled with Birchcliff's efficient execution and low-cost structure, will allow the Corporation to maximize free funds generation and strengthen its balance sheet.

The 2021 Capital Program builds off the technical and operational knowledge Birchcliff gained from its 2020 capital program, which will help it to continue to refine its drilling and completions operations and improve well performance. Furthermore, Birchcliff's focused drilling activities and large-scale well pad designs are expected to result in improved capital efficiencies.

Adjusted funds flow of approximately $360 million is expected to be generated in 2021 based on the mid-point of the Corporation's 2021 annual average production guidance range, with free funds flow of approximately $130 million to $150 million which will be used primarily to strengthen the balance sheet. The Corporation is targeting to reduce its total debt at year end 2021 by up to $130 million from December 31, 2020 based on its anticipated F&D capital spending, annual average production and free funds flow in 2021.

Highlights of the 2021 Capital Program

The key highlights of Birchcliff's 2021 Capital Program are as follows:

F&D Capital Spending and Production

- Total F&D capital expenditures are estimated to be $210 million to $230 million, which represents a 23%[5] reduction from 2020 mainly as the result of one-time facilities and infrastructure projects completed by Birchcliff in 2020.
- Annual average production in 2021 is expected to be in the range of 78,000 to 80,000 boe/d.
- Production in the first half of 2021 is anticipated to average approximately 74,000 boe/d[6]. 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 the first half of 2021. In addition, Birchcliff has scheduled a turn-around in the first half of 2021 at part of its 100% owned and operated natural gas processing plant in Pouce Coupe (the "**Pouce Coupe Gas Plant**").
- Production in the second half of 2021 is expected to average approximately 84,000 boe/d[7], with production expected to ramp up in Q3 and Q4 as the majority of Birchcliff's new 2021 wells are planned to be brought on production in the second half of the year. Bringing on the majority of wells later in 2021 will allow Birchcliff to take advantage of stronger expected natural gas prices that are typically seen in the winter months.

Capital Activities and Allocation

- Approximately 73%[8] of the program is directed towards drilling, completions, equipping and tie-in ("**DCCET**") activities, with a total of 27 (27.0 net) wells expected to be drilled and 33 (33.0 net) wells expected to be brought on production in 2021.
  - Birchcliff's 2021 drilling program is focused on developing its low-cost natural gas and liquids-rich production in Pouce Coupe and Gordondale.

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[5] Based on estimated F&D capital expenditures of $285 million in 2020 and the mid-point of the Corporation's 2021 F&D capital expenditures guidance range.
[6] Represents the mid-point of the Corporation's production guidance range for the first half of 2021 of 73,000 to 75,000 boe/d.
[7] Represents the mid-point of the Corporation's production guidance range for the second half of 2021 of 83,000 to 85,000 boe/d.
[8] Based on the mid-point of the Corporation's F&D capital expenditures guidance range.

- Approximately 12%[8] of the program is directed towards facilities and infrastructure.
  - As a result of the completion of various one-time projects in 2020, Birchcliff's facilities and infrastructure spending in 2021 is expected to decrease by approximately 65%, from approximately $75 million in 2020 to approximately $25 million in 2021. Facilities and infrastructure spending in 2021 will be directed towards various facility optimization projects in order to improve the production performance of Birchcliff's existing wells.
  - In 2020, Birchcliff completed an inlet-liquids handling facility at its Pouce Coupe Gas Plant and the addition of natural gas compression and a significant trunk line in Gordondale. These long lifespan infrastructure projects have helped Birchcliff to improve its efficiencies and netbacks, which has further enhanced Birchcliff's free funds flow generating capacity.
- The program is weighted towards the first half of the year, with the majority of F&D capital expected to be spent by the end of Q2 2021.

Capital Allocation

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 2021:

2021 Capital Program – Capital Expenditures by Classification

Classification	**Capital** *(MM)*
DCCET	
Pouce Coupe(1)	$93 – $102
Gordondale(1)	$38 – $41
Additional Well Completions Capital(2)	$22 – $24
Total DCCET	**$153 – $167**
Facilities and Infrastructure	$25 – $28
Maintenance and Optimization	$12 – $14
Land and Seismic(3)	$4
Other	$16 – $17
TOTAL F&D Capital Expenditures(4)	**$210 – $230**

(1) On a DCCET basis, the average well cost in 2021 is estimated to be approximately $5.3 million for each of Pouce Coupe and 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 6 (6.0 net) wells that were drilled and rig released in Q4 2020.
(3) Includes capital for crown sales and rental payments but does not include other property acquisitions and dispositions.
(4) 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 2021 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"* and *"Advisories – Forward-Looking Statements"*.

2021 Capital Program – Wells to be Drilled and Brought on Production

Area	**Total wells to be drilled in 2021**	**Total wells to be brought on production in 2021(1)**
Pouce Coupe		
Montney D1 horizontal natural gas wells	7	7
Montney D2 horizontal natural gas wells	4	4
Montney C horizontal natural gas wells	4	4
Basal Doig/Upper Montney horizontal natural gas wells	4	10
Total – Pouce Coupe	**19**	**25**
Gordondale		
Montney D1 horizontal natural gas wells	2	2
Montney D2 horizontal natural gas wells	1	1
Montney C horizontal natural gas wells	1	1
Montney D1 horizontal oil wells	2	2
Montney D2 horizontal oil wells	2	2
Total – Gordondale	**8**	**8**
TOTAL – COMBINED	**27**	**33**

(1) Includes 6 (6.0 net) wells that were drilled and rig released in Q4 2020.

Pouce Coupe

Approximately 67% of the 2021 Capital Program is directed towards Birchcliff's Pouce Coupe area. Key focus areas for Pouce Coupe in 2021 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 and the Basal Doig/Upper Montney.

Birchcliff plans to drill a total of 19 (19.0 net) wells and bring on production 25 (25.0 net) wells in 2021. All wells will be drilled on multi-well pads to reduce Birchcliff's environmental footprint and per well costs. Birchcliff is planning to drill a 10-well pad building off the success of its 14-well pad in 2020 which used multi-interval cube style development and resulted in Birchcliff achieving significant cost savings on a per well basis of 29% and 23%, respectively, compared to 2018 and 2019 average per well costs. This reservoir development strategy allows for the co-development of the Montney C, D1 and D2 intervals, which Birchcliff believes is preferable to single interval development over several years. In addition, co-development allows Birchcliff to continue reducing per well costs through scale and repeatability.

In Q1 2021, Birchcliff plans on completing a 7-well pad comprised of 6 Basal Doig/Upper Montney wells and 1 Montney D1 well. Birchcliff has not been active drilling the Basal Doig/Upper Montney over the last few years; however, recent results from offsetting activity and improved natural gas prices make these locations significantly more attractive and have the potential for follow-up drilling based on successful results.

Birchcliff also plans on installing field compression in the south-western portion of Pouce Coupe, which will help reduce line pressures in the area and allow for improved performance of existing wells. This project is expected to be onstream in early Q2 2021.

Gordondale

Approximately 22% of the 2021 Capital Program is directed towards Birchcliff's Gordondale area. Key focus areas for Gordondale in 2021 will be the drilling of liquids-rich natural gas wells and the further exploitation and delineation of condensate and light oil trends in the Montney D1, D2 and C intervals.

Birchcliff plans to drill and bring on production a total of 8 (8.0 net) wells on 2 pads in 2021, which is expected to keep AltaGas's deep-cut sour gas processing facility in Gordondale (the "**AltaGas Facility**") full during 2021. Birchcliff will be targeting the Montney C interval in the north-eastern portion of Gordondale, which is progressing the successful Montney C development into Gordondale from Pouce Coupe. Development of the Montney D1 and D2 will continue in Gordondale, targeting liquids-rich natural gas versus light oil in 2021 due to Birchcliff's outlook for strong natural gas prices in 2021. Birchcliff continues to have a significant inventory of light oil drilling locations should light oil prices continue to improve.

OPERATIONAL UPDATE

Birchcliff currently has 3 drilling rigs at work, with 1 rig in the Gordondale area and 2 in the Pouce Coupe area. Year-to-date, Birchcliff has drilled:

- 2 (2.0 net) Montney/Doig horizontal natural gas wells in the Pouce Coupe area (1 Montney D1 and 1 Montney D2); and
- 2 (2.0 net) Montney D1 horizontal natural gas wells in the Gordondale area.

2021 GUIDANCE

The following table sets forth Birchcliff's guidance and commodity price assumptions for 2021:

	2021 guidance and assumptions[1]
Production	
Annual average production *(boe/d)*	78,000 – 80,000
% Light oil	5%
% Condensate	9%
% NGLs	10%
% Natural gas	76%
Q4 average production *(boe/d)*	83,000 – 85,000
Average Expenses *($/boe)*	
Royalty	1.15 – 1.35
Operating	2.90 – 3.10
Transportation and other	5.00 – 5.20
Adjusted Funds Flow *(MM$)*	360[2]
F&D Capital Expenditures *(MM$)*	210 – 230[3][4]
Free Funds Flow *(MM$)*	130 – 150[5][6]
Total Debt at Year End *(MM$)*	635 – 655[7]
Natural Gas Market Exposure[8]	
AECO exposure as a % of total natural gas production	17%
Dawn exposure as a % of total natural gas production	44%
NYMEX HH exposure as a % of total natural gas production	33%
Alliance exposure as a % of total natural gas production	6%
Commodity Prices	
Average WTI price *(US$/bbl)*	50.00
Average WTI-MSW differential *(CDN$/bbl)*	6.00
Average AECO 5A price *(CDN$/GJ)*	2.50
Average Dawn price *(US$/MMBtu)*[9]	2.75
Average NYMEX HH price *(US$/MMBtu)*[9]	2.80
Exchange rate *(CDN$ to US$1)*	1.27

(1) Birchcliff's guidance for its production commodity mix, adjusted funds flow and natural gas market exposure is based on an annual average production rate of 79,000 boe/d during 2021, which is the mid-point of Birchcliff's annual average production guidance range.

(2) Birchcliff's estimate of adjusted funds flow takes into account the effects of its commodity risk management contracts outstanding as at January 20, 2021.

(3) Birchcliff's estimate of F&D capital expenditures excludes any net potential acquisitions and dispositions and corresponds to Birchcliff's 2021 F&D capital budget. See *"2021 Capital Program"* and *"Advisories – Capital Expenditures"*.

(4) As compared to Birchcliff's preliminary guidance range of $200 million to $220 million previously disclosed on November 12, 2020.

(5) 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"*.

(6) As compared to Birchcliff's preliminary guidance of $140 million previously disclosed on November 12, 2020.

(7) 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 and applicable taxes remaining unchanged; (ii) that there are 266 million common, 2,000,000 series A and 1,597,180 series C preferred shares outstanding, with no redemptions of series C preferred shares or buybacks of common shares occurring during 2021; (iii) that there is no repayment of debt using the proceeds from asset dispositions or debt or equity issuances; (iv) that the 2021 Capital Program will be carried out as currently contemplated and the level of capital spending set forth herein will be achieved; and (v) the targets for production, 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.

(8) Birchcliff's guidance regarding its natural gas market exposure in 2021 assumes: (i) 175,000 GJ/d being sold at the Dawn index price; (ii) 25,400 MMcf/d being sold at Alliance's Trading Pool daily index price; and (iii) 152,500 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.

(9) See *"Advisories – MMBtu Pricing Conversions"*.

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 2021 of $360 million, after taking into account the effects of its commodity risk management contracts outstanding as at January 20, 2021:

	Estimated change to 2021 adjusted funds flow *(MM$)*(1)(2)
Change in WTI US$1.00/bbl	5.9
Change in NYMEX HH US$0.10/MMBtu	6.6
Change in Dawn US$0.10/MMBtu	8.0
Change in AECO CDN$0.10/GJ	3.0
Change in CDN/US exchange rate CDN$0.01	3.3

(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.

Ongoing volatility in commodity prices resulting from the COVID-19 pandemic may adversely and materially impact the Corporation's future financial and operational results. Changes in assumed commodity prices and variances in production estimates can have a significant impact on the Corporation's estimates of adjusted funds flow and free funds flow and the Corporation's other guidance, which impact may be material. For further information, see *"Advisories – Forward-Looking Statements"* in this press release.

FIVE YEAR PLAN

Overview

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

- Maximizing free funds flow and strengthening the Corporation's balance sheet over the five year period.
- Fully utilizing the available processing capacity of the Corporation's existing infrastructure over the last three years of the plan.

Targeted Key Metrics

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

	2021	2022	2023	2024	2025
Annual Average Production *(boe/d)*	78,000 – 80,000	80,000	83,000	87,000	91,000
Liquids *(%)*	24	23	23	22	22
Q4 Average Production *(boe/d)*	83,000 – 85,000	82,000	85,000	89,000	90,000
Total Wells Brought on Production	33	25	31	39	30
Annual Adjusted Funds Flow *(MM)*(3)	$360	$375	$415	$460	$500
Annual F&D Capital Expenditures *(MM)*	$210 – $230	$200	$230	$275	$225
Annual Free Funds Flow *(MM)*	$130 – $150	$175	$185	$185	$275
Cumulative Free Funds Flow *(MM)*(4)	$130 – $150	$315	$500	$685	$960
Total Debt (Cash) at Year End *(MM)*(4)(5)	$635 – $655	$490	$330	$165	($85)

(1) See *"Advisories – Forward-Looking Statements"*.
(2) Assumes the following commodity prices and exchange rate over 2021 to 2025: (i) an average WTI price of US$50.00/bbl; (ii) an average WTI-MSW differential of CDN$6.00/bbl; (iii) an average AECO 5A price of CDN$2.50/GJ; (iv) an average Dawn price of US$2.75/MMBtu; (v) an average NYMEX HH price of US$2.80/MMBtu; and (vi) an exchange rate (CDN$ to US$1) of 1.27. In addition, the Five Year Plan assumes that any incremental natural gas production above the Corporation's forecasted production for 2021 is sold at the AECO 5A price.
(3) Birchcliff's estimates of adjusted funds flow take into account the effects of its commodity risk management contracts outstanding as at January 20, 2021.
(4) The Corporation has used the mid-point of its 2021 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 2022 to 2025.
(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 and applicable taxes remaining unchanged; (iii) that there are 266 million common, 2,000,000 series A and 1,597,180 series C preferred shares outstanding, with no redemptions of series C preferred shares or buybacks of common shares occurring during 2021 to 2025; (iv) that there is no repayment of debt using the proceeds from asset dispositions or debt or equity issuances; (v) 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 (vi) the targets for production, 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.

Birchcliff has the necessary lands and drilling inventory necessary to achieve the above production profiles, allowing it to execute the Five Year Plan without acquiring further crown land or relying on asset or corporate acquisitions.

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 targets of potential cumulative adjusted funds flow of $2,110 million and cumulative free funds flow of $960 million generated during 2021 to 2025 and after taking into account the effects of its commodity risk management contracts outstanding as at January 20, 2021:

	Estimated change to 2021 to 2025 cumulative adjusted funds flow and free funds flow *(MM$)*(1)(2)
Change in WTI US$1.00/bbl	29.5
Change in NYMEX HH US$0.10/MMBtu	32.8
Change in Dawn US$0.10/MMBtu	39.8
Change in AECO CDN$0.10/GJ	14.6
Change in CDN/US exchange rate CDN$0.01	16.6

(1) See the targeted key metrics table above.

(2) The calculated impact on cumulative adjusted and free funds flow is only applicable within the limited range of change indicated. Calculations are performed independently and may not be indicative of actual results. Actual results may vary materially when multiple variables change at the same time.

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

Maximizing Free Funds Flow and Strengthening the Balance Sheet

The Five Year Plan is geared towards maximizing Birchcliff's ability to generate free funds flow, which will be prioritized towards strengthening its balance sheet by reducing its indebtedness.

In 2021 and 2022, Birchcliff's F&D capital spending will be focused on maintaining a relatively flat production profile in order to strengthen its balance sheet. This will place Birchcliff in a strong position to increase its rate of drilling in 2023 and 2024 in order to fully utilize its available processing capacity as discussed in further detail below. Increasing the Corporation's production to fully utilize its available processing capacity will further enhance the Corporation's ability to generate free funds flow and reduce total debt during the last three years of the plan.

The Five Year Plan provides for potential cumulative free funds flow of approximately $960 million by the end of the five year period based on the commodity price and other assumptions set forth herein. Free funds flow will be prioritized towards debt reduction and the Corporation expects to significantly reduce its total debt by the end of the five year period. The Corporation's total debt could potentially be reduced to zero by December 31, 2025 assuming it chose to allocate all of its free funds flow towards debt reduction and based on the other assumptions set forth in note (5) to the table under *"Targeted Key Metrics"*, including that dividend rates remain at current levels.

Birchcliff expects that its targeted 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.

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

Birchcliff believes that one of the keys to creating shareholder value is through fully utilizing the available processing 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 will result in the Corporation increasing its netbacks and free funds flow.

Birchcliff plans to fill its 100% owned and operated Pouce Coupe Gas Plant over the course of 2023 and 2024 (which is currently operating at approximately 80% of its total processing capacity of 340 MMcf/d), as well as continue to utilize all of its available processing capacity at the AltaGas Facility in Gordondale. Accordingly, annual average production is expected to increase in 2023 to 2025 as the Corporation drills the wells necessary to fill the Pouce Coupe Gas Plant and thereafter maintain the plant at or near capacity. 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 Nova Gas Transmission 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 2023 and 2024. 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 at this time.

ESG

Birchcliff is committed to the responsible development of its assets and is one of the lowest emissions intensity producers in the industry. Continuing Birchcliff's industry-leading ESG performance and promoting the Corporation's strong safety culture continue to be top priorities in 2021.

Birchcliff has implemented numerous emission reduction initiatives, including reducing or eliminating methane venting devices at various properties, the installation of waste heat recovery units at the Pouce Coupe Gas Plant and the use of underground carbon capture and storage reservoirs for GHGs. Such initiatives have helped Birchcliff to significantly reduce its GHG emissions, while at the same time improving the economics and efficiencies of various facilities.

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+)
ESG	environmental, social and governance
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
GHG	greenhouse gas
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
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
NYMEX	New York Mercantile Exchange
OPEC	Organization of the Petroleum Exporting Countries
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 the terms "adjusted funds flow", "free funds flow", "transportation and other expense" 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. "Adjusted funds flow" denotes cash flow from operating activities before the effects of decommissioning expenditures and changes in non-cash operating working capital. "Free funds flow" denotes adjusted funds flow less F&D capital expenditures. "Transportation and other expense" denotes transportation expense plus marketing purchases minus marketing revenue. "Total debt" is calculated as the revolving term credit facilities plus adjusted working capital deficit. 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, 2020, including information regarding average production, production commodity mix and F&D capital expenditures, 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, 2020, 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, 2020 on SEDAR on March 10, 2021.

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 of 37.4 MJ/m^3 or a heat uplift of 1.055 when converting from $/GJ.

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.

Production

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

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry. 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.

Capital Expenditures

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

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 the Corporation's priorities over the next five years are to maximize free funds flow generation and strengthen its balance sheet; the Corporation's belief that this strategy will provide it with the most optionality to maximize long-term shareholder returns and take advantage of future opportunities; and statements that continuing Birchcliff's industry-leading ESG performance and promoting the Corporation's strong safety culture continue to be top priorities in 2021;
- Birchcliff's estimated 2020 results and that Birchcliff expects to release its unaudited financial and operational results and reserves highlights for the year ended December 31, 2020 on February 10, 2021 and file its audited financial statements and related management's discussion and analysis for the year ended December 31, 2020 on March 10, 2021;
- Birchcliff's outlook for commodity prices;
- the information set forth under the heading *"2021 Capital Program"* and elsewhere in this press release as it relates to the 2021 Capital Program and Birchcliff's proposed exploration and development activities and the timing thereof, including: estimates and targets of production and production commodity mix, capital expenditures, capital allocation, adjusted funds flow, free funds flow and total debt reduction in 2021; that Birchcliff's targeted annual average production is expected to generate approximately $360 million of adjusted funds flow and free funds flow of $130 million to $150 million in 2021; that free funds flow will be used primarily

to strengthen the Corporation's balance sheet and reduce indebtedness; that the Corporation is targeting to reduce its total debt at year end 2021 by up to $130 million from December 31, 2020; the focus of, the objectives of, the anticipated results from and expected benefits of the 2021 Capital Program (including: that the program is focused on maximizing free funds flow generation and strengthening Birchcliff's balance sheet; the annual average production and production commodity mix targeted by the program; statements that none of Birchcliff's production is currently subject to fixed price commodity hedges, which will allow it to capitalize on strengthening commodity prices and that this, coupled with Birchcliff's efficient execution and low-cost structure, will allow the Corporation to maximize free funds generation and strengthen its balance sheet; and the focus areas for Pouce Coupe and Gordondale); that Birchcliff's focused drilling activities and large-scale well pad designs are expected to result in improved capital efficiencies; that Birchcliff's expected F&D capital expenditures in 2021 represent a 23% reduction from 2020; estimates of annual average and average production in the first and second halves of 2021; that Birchcliff plans to protect its existing wells by proactively shutting-in some production in the first half of 2021 and that Birchcliff has scheduled a turn-around in the first half of 2021 at part of its Pouce Coupe Gas Plant; that production is expected to ramp up in Q3 and Q4 2021 as the majority of Birchcliff's new 2021 wells are planned to be brought on production in the second half of 2021; that bringing on the majority of wells later in 2021 will allow Birchcliff to take advantage of stronger expected natural gas prices that are typically seen in the winter months; that approximately 73% of the program is directed towards DCCET and 12% towards facilities and infrastructure; that Birchcliff's 2021 drilling program is focused on developing its low-cost natural gas and liquids-rich production in Pouce Coupe and Gordondale; that Birchcliff's facilities and infrastructure spending in 2021 is expected to decrease by 65%, from approximately $75 million in 2020 to approximately $25 million in 2021; that facilities and infrastructure spending in 2021 will be directed towards various facility optimization projects in order to improve the production performance of Birchcliff's existing wells; that the long lifespan infrastructure projects completed in 2020 have further enhanced Birchcliff's free funds flow generating capacity; that the program is weighted towards the first half of the year, with the majority of F&D capital expected to be spent by the end of Q2 2021; statements regarding well pads and the number and types of wells expected to be drilled and brought on production; estimated average well costs in 2021; and reservoir development strategies and the benefits thereof;

- the information set forth under the heading *"2021 Guidance"* and elsewhere in this press release as it relates to Birchcliff's outlook and guidance, including: estimates of annual, first half, second half and Q4 average production, production 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 and focus 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; and that the Five Year Plan is focused on maximizing free funds flow and strengthening the Corporation's balance sheet and fully utilizing the available processing capacity of the Corporation's existing infrastructure over the last three years of the plan); estimates and targets of annual and Q4 average production, production commodity mix, total wells to be brought on production, adjusted funds flow, F&D capital expenditures, free funds flow and total debt (cash); the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's estimates of cumulative adjusted and free funds flow; that Birchcliff has the necessary lands and drilling inventory necessary to achieve the production profiles set forth herein, allowing it to execute the Five Year Plan without acquiring further crown land or relying on asset or corporate acquisitions; that the Five Year Plan is geared towards maximizing Birchcliff's ability to generate free funds flow, which will be prioritized towards strengthening its balance sheet by reducing its indebtedness; that in 2021 and 2022, Birchcliff's F&D capital spending will be focused on maintaining a relatively flat production profile in order to strengthen its balance sheet and that this will place Birchcliff in a strong position to increase its rate of drilling in 2023 and 2024 in order to fully utilize its available processing capacity; that increasing the Corporation's production to fully utilize its available processing capacity will further enhance the Corporation's ability to generate free funds flow and reduce total debt during the last three years of the plan; that the Five Year Plan provides for potential cumulative free funds flow of approximately $960 million by the end of the five year period; that free funds flow will be prioritized towards debt reduction and the Corporation expects to significantly reduce its total debt by the end of the five year period; that the Corporation's total debt could potentially be reduced to zero by

December 31, 2025; that Birchcliff expects that its targeted 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, 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; Birchcliff's belief that one of the keys to creating shareholder value is through fully utilizing the available processing 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 will result in the Corporation increasing its netbacks and free funds flow; that Birchcliff plans to fill its Pouce Coupe Gas Plant over the course of 2023 and 2024, as well as continue to utilize all of its available processing capacity at the AltaGas Facility; that annual average production is expected to increase in 2023 to 2025 as the Corporation drills the wells necessary to fill the Pouce Coupe Gas Plant and thereafter maintain the plant at or near capacity; Birchcliff's belief that keeping such infrastructure at or near capacity will help to create additional shareholder value 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 Nova Gas Transmission system; 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 2023 and 2024; 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 in order to protect its balance sheet and common share dividend; and that Birchcliff currently has no plans to invest in further phases of the Pouce Coupe Gas Plant or other significant infrastructure at this time; and

- the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: the degree to which the Corporation's results of operations and financial condition will be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic; 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 2021 guidance and Five Year Plan assume the following commodity prices and exchange rate: an average WTI price of US$50.00/bbl; an average WTI-MSW differential of CDN$6.00/bbl; an average AECO 5A price of CDN$2.50/GJ; an average Dawn price of US$2.75/MMBtu; an average NYMEX HH price of US$2.80/MMBtu; and an exchange rate (CDN$ to US$1) of 1.27.

- With respect to estimates of 2021 capital expenditures and Birchcliff's spending plans for 2021, such estimates and plans assume that the 2021 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 2021, such estimates assume that: the 2021 Capital Program will be carried out as currently contemplated and the level of capital spending for 2021 set forth herein will be achieved; and the targets for production, production commodity mix, costs 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 for 2021, such guidance assumes that: the 2021 Capital Program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that Birchcliff relies on to produce its wells and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; the construction of new infrastructure meets timing and operational expectations; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations. Birchcliff's production guidance may be affected by acquisition and disposition activity.
- With respect to statements regarding the future potential and prospectivity of properties and assets, such statements assume: the continuing validity of the geological and other technical interpretations determined by Birchcliff's technical staff with respect to such properties; and that, over the long-term, commodity prices and general economic conditions will warrant proceeding with the exploration and development of such properties.
- With respect to statements of future wells to be drilled and brought on production, such statements assume: the continuing validity of the geological and other technical interpretations performed by Birchcliff's technical staff, which indicate that commercially economic volumes can be recovered from Birchcliff's lands as a result of drilling future wells; and that commodity prices and general economic conditions will warrant proceeding with the drilling of such wells.
- 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 – Targeted Key Metrics"*. 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 2023 and 2024. The Five Year Plan also forecasts that approximately 158 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 production 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 F&D capital spending programs for 2022 to 2025 have not been finalized and are subject to approval by Birchcliff's board of directors. Accordingly, the levels of F&D capital expenditures set forth herein are subject to change, which would have an impact on the targeted production, production commodity mix, number of wells to be brought on production, adjusted funds flow, free funds flow and total debt set forth herein. Birchcliff updates its five year plan on an annual basis. Accordingly, the Five Year Plan disclosed herein supersedes the five year plan disclosed by Birchcliff on January 22, 2020.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: the risks posed by pandemics (including COVID-19) and epidemics and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; 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; risks associated with Birchcliff's credit facilities, including a failure to comply with covenants under the agreement governing the credit facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the occurrence of unexpected events such as fires, severe weather, explosions, blow-outs, equipment failures, transportation incidents and other similar events 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 economic; 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; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management 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.

There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that Birchcliff may experience. While the duration and full impact of the COVID-19 pandemic is not yet known, the effect of low commodity prices as a result of reduced demand associated with the impact of COVID-19 has had, and may continue to have, a negative impact on the Corporation's business, results of operations, financial condition and the environment in which it operates. The Corporation's current expectations, estimates, projections, beliefs and assumptions underlying the Corporation's forward-looking statements, including those that pertain to the 2021 Capital Program and the Five Year Plan, are subject to change in light of the COVID-19 pandemic, including potential future waves and actions taken by governments and businesses in response thereto.

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

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