



**Pine Cliff**  
**Energy Ltd.**

**Annual General Meeting**  
**May 21, 2009**

- Listing: TSX Venture – Symbol: PNE
- Shares issues: 45,275,695
- Market capitalization: \$6.8 Million
- Directors and officers own approximately 37.5%
- Large exploratory land inventory
- December 31, 2008, working capital: \$2,317,000

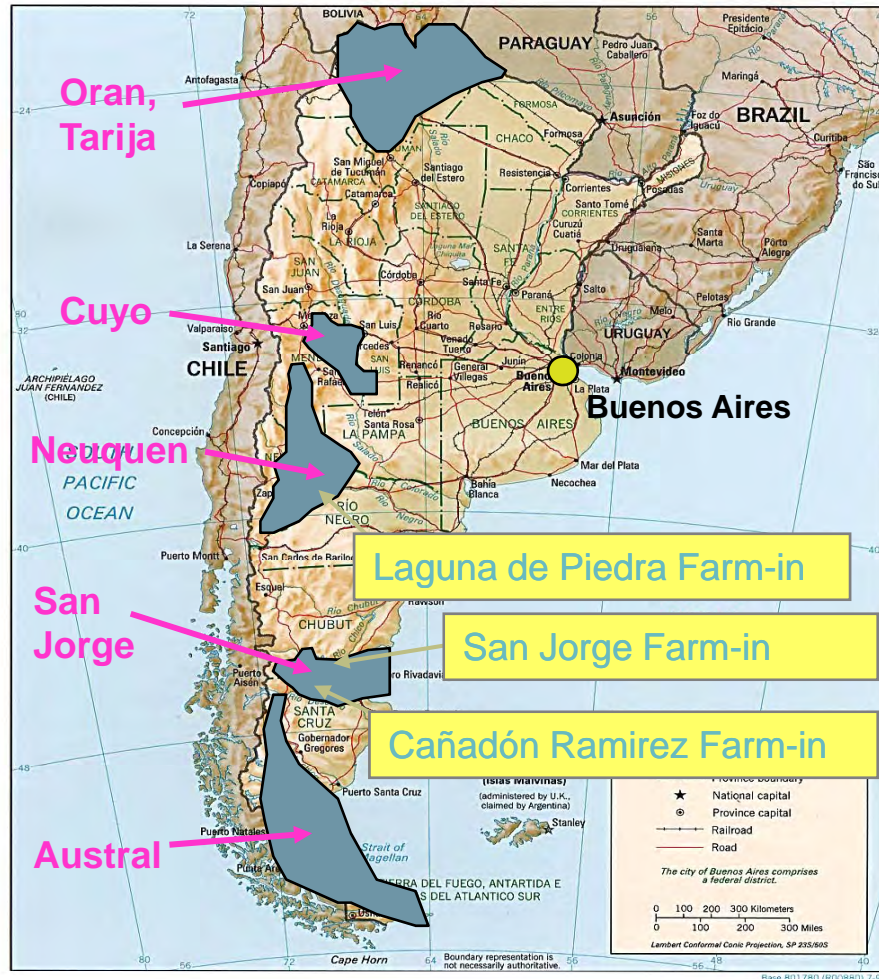
- The Board of Directors and Management recognize that there is a need to evaluate the overall direction for the Company and are presently assessing various options/opportunities.
- Disappointing drill results and potential negative political and economic changes in Argentina compared to positive changes in the Canadian energy sector may mean a domestic focus is more favourable than an international focus.
- Pine Cliff will continue to consider acquisitions of both producing and non-producing properties, focusing mainly in Canada at the present time.

- During Q408, Pine Cliff participated in drilling one natural gas well (15% W.I.) in the Sundance area of Alberta. The well averaged ~320 MCF per day net to the Company during Q408 and anticipated production for 2009 is estimated between 150-200 MCF per day net to Pine Cliff.
- Three wells were drilled on the Canadon Ramirez property in Argentina. Testing of these wells was completed and based on production tests, all zones were uneconomic. Further internal evaluations are being conducted on this property.
- Another property in Argentina is presently deemed to be highly prospective and the Company is giving consideration to participating in drilling one gross exploration well (0.25 net) in the Laguna de Piedra Concession. Drilling is expected to take place in late 2009/early 2010 with the Company's share of the costs to drill at ~\$500,000.
- Pine Cliff is continuing to assess and evaluate additional properties in Canada.

	Year 2008	Year 2007
Oil and gas sales (net of royalties) and other income	\$ 645,000	\$ 522,000
Expenses		
Production costs	116,000	134,000
General and administrative <sup>(1)</sup>	1,339,000	1,295,000
Foreign exchange loss (gain)	(149,000)	28,000
Current taxes	23,000	-
	1,329,000	1,457,000
Funds flow <sup>(2)</sup> (negative)	\$ (684,000)	\$ (935,000)

(1) It should be noted that due to reduced international activity, general and administrative expenses will be substantially reduced in 2009.

(2) Funds flow is not a recognized measure under GAAP. For these purposes, the Company defines funds flow as funds provided by operations before changes in non-cash operating working capital items excluding gain on sale of property and asset retirement expenditures.



## Oran, Tarija Basins

“big” gas producers; difficult drilling;  
very high operating costs

## Cuyo Basin

good oil production; limited exploration  
upside

## Neuquen Basin

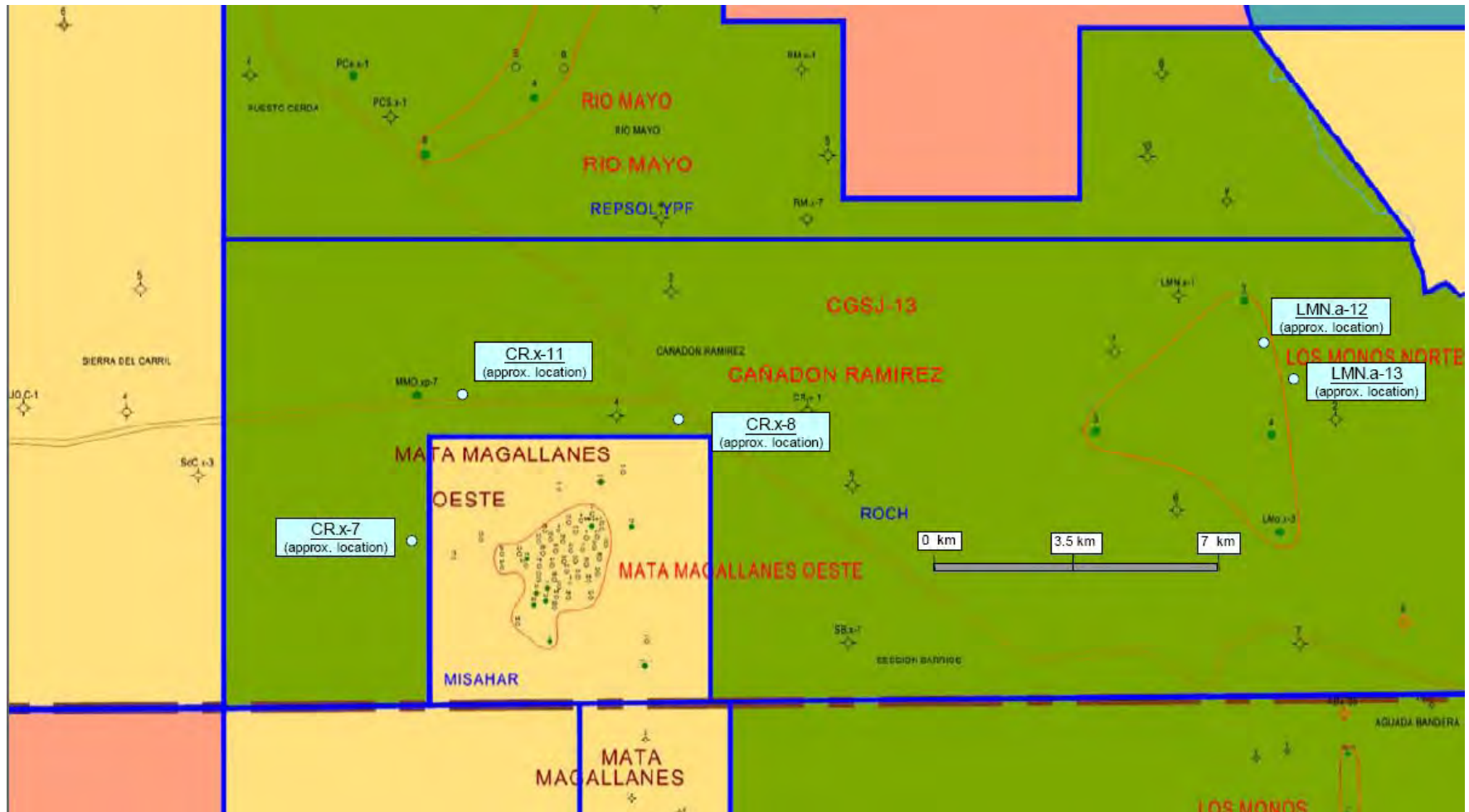
high oil production rates; multiple  
zones; abundant infrastructure;  
reasonable operating costs; active oil  
exploration area

## San Jorge Basin

long-life oil production; multiple zones;  
complex reservoirs; immature oil  
exploration/development

## Austral Basin

high gas/oil production rates; lack  
of infrastructure; immature gas  
exploration/development



Property	Gross Acres	Net Acres
Alberta, Canada	7,360	2,802
San Jorge Basin, Argentina	17,182	8,334
Neuquen Basin, Argentina	252,048	63,012
<b>Total:</b>	<b>276,590</b>	<b>74,148</b>

- Board and Management recognize a need to assess the overall direction for the Company
- Domestic opportunities may be more economic
- Aggressive approach in Canada



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