

**RESERVES INFORMATION**

McDaniel & Associates Consultants Limited (“**McDaniel**”) was engaged to prepare evaluations of the reserves of Pine Cliff Energy Ltd. (the “**Company**”) at December 31, 2017. The evaluations of petroleum and natural gas reserves were conducted in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) with the effective date of December 31, 2017. The gross reserves in the following tables represent Pine Cliff’s ownership interest before royalties and before consideration of the Company’s royalty interest reserves. As defined in NI 51-101, proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Tables may not add due to rounding.

Where amounts are expressed on a Boe basis, natural gas volumes have been converted to oil equivalence at six Mcf per one Bbl. Where amounts are expressed in Mcfe, natural gas liquids and oil volumes are converted to one Mcfe using the same ratio. The terms Boe and Mcfe may be misleading, particularly if used in isolation. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Highlights of Pine Cliff’s reserves for the 2017 year include:

- Positive technical revisions of 6.7 MMBOE on a total proved plus probable basis;
- Prior to adjusting for 2017 production, total positive net changes to proved reserves were 5.1 MMBOE (9%), largely a result of improved well performance and a successful well recompletion program;
- Remaining proved reserves of 51.1 MMBOE (95% natural gas) at December 31, 2017, decreased by 2.7 MMBOE (5%) from 53.8 MMBOE (94% natural gas) at December 31, 2016;
- Prior to adjusting for 2017 production, total positive net changes to proved plus probable reserves were 4.1 MMBOE, largely a result of improved well performance;
- Remaining proved plus probable reserves of 67.2 MMBOE (94% natural gas) at December 31, 2017 decreased by 3.7 MMBOE (5%) from 70.9 MMBOE (94% natural gas) at December 31, 2016;
- Approximately 76% of total reserves are classified as proved reserves and 24% are classified as probable reserves;
- Approximately 98% of proved reserves are classified as proved developed producing;
- Net present value for proved plus probable reserves of \$240.1 million, discounted at 10%, a decrease of \$106.8 million, or 31%, from December 31, 2016, mainly as a result of decreases in the future natural gas price deck; and
- In line with Pine Cliff’s historical acquisition focus rather than drilling existing reserves, the McDaniel reserve report reflects a conservative future development capital program of \$69.3 million over the next five years.

**Summary of Remaining Working Interest Reserves, as of December 31, 2017**

Reserve Category	Light, Medium and Heavy Oil	Natural Gas and CBM	Natural Gas Liquids	BOE
	MBbl	MMcf	MBbl	MBOE
<b>Proved</b>				
Developed Producing	432.5	282,598.1	2,418.5	49,950.7
Developed Non-Producing	-	456.1	19.5	95.5
Undeveloped	31.6	5,054.3	152.7	1,026.7
<b>Total Proved</b>	<b>464.1</b>	<b>288,108.5</b>	<b>2,590.7</b>	<b>51,072.9</b>
Probable	207.2	89,323.0	1,050.9	16,145.3
<b>Total Proved plus Probable</b>	<b>671.3</b>	<b>377,431.5</b>	<b>3,641.6</b>	<b>67,218.2</b>

Summary of Net Present Values of Future Net Revenue, Before Income Taxes, as of December 31, 2017<sup>1</sup>

(\$millions)	Discounted at (% per year)			
	0%	5%	10%	15%
<b>Reserve Category</b>				
<b>Proved</b>				
Developed Producing	170.2	181.4	171.6	157.1
Developed Non-Producing	0.7	0.7	0.6	0.6
Undeveloped	10.8	7.0	4.7	3.2
<b>Total Proved</b>	<b>181.7</b>	<b>189.1</b>	<b>176.9</b>	<b>160.9</b>
Probable	149.9	96.7	63.2	42.2
<b>Total Proved plus Probable</b>	<b>331.6</b>	<b>285.8</b>	<b>240.1</b>	<b>203.1</b>

<sup>1</sup>Includes abandonment and reclamation costs.

## Reconciliation of Gross Reserves by Principal Product Type, as of December 31, 2017

	Light, Medium, and Heavy Oil and Natural Gas Liquids		Natural Gas and Coal Bed Methane		BOE	
	Proved	Proved plus Probable	Proved	Proved plus Probable	Proved	Proved plus Probable
	(MBbl)	(MBbl)	(MMcf)	(MMcf)	(MBOE)	(MBOE)
<b>December 31, 2016</b>	<b>3,377.6</b>	<b>4,496.2</b>	<b>302,540.7</b>	<b>398,635.5</b>	<b>53,801.1</b>	<b>70,935.6</b>
Extension	272.1	382.7	3,889.1	5,391.7	920.3	1,281.3
Technical Revisions	(143.5)	(104.1)	45,432.3	40,806.4	7,434.1	6,697.0
Acquisitions	30.7	31.2	1,692.9	2,067.0	307.4	375.7
Change in Working Interest	33.3	29.0	2,664.8	2,651.1	477.4	470.9
Economic Factors	(104.5)	(111.2)	(23,683.9)	(27,692.8)	(4,051.8)	(4,726.7)
<b>Total Changes</b>	<b>88.1</b>	<b>227.5</b>	<b>29,995.2</b>	<b>23,223.5</b>	<b>5,087.4</b>	<b>4,098.3</b>
Production	(410.9)	(410.9)	(44,427.4)	(44,427.4)	(7,815.6)	(7,815.6)
<b>December 31, 2017</b>	<b>3,054.8</b>	<b>4,312.9</b>	<b>288,108.5</b>	<b>377,431.5</b>	<b>51,072.9</b>	<b>67,218.2</b>

Finding, Development and Acquisition ("FD&A") Costs <sup>1</sup>

Pine Cliff has been developing its asset base, primarily through acquisitions. Over the past three years, the Company has incurred the following FD&A costs, including changes in future development capital:

	2017 <sup>(1)</sup>	2016 <sup>(2)</sup>	2015 <sup>(1)</sup>	3 year average <sup>(1)</sup>
<b>\$/Boe</b>				
Proved Reserves	4.58	0.01	5.36	3.60
Proved plus probable reserves	6.29	0.33	4.58	3.50
<b>\$/Mcf</b>				
Proved Reserves	0.76	0.00	0.89	0.60
Proved plus probable reserves	1.05	0.05	0.76	0.58

<sup>1</sup> FD&A costs, including changes in future development capital, are calculated as the aggregate of development capital plus acquisition capital, net of dispositions, plus the change in future development capital for the period divided by the change in total reserves for the period, excluding production.

<sup>2</sup> FD&A costs, including changes in future development capital, are calculated as the aggregate of development capital plus acquisition capital and excluding disposition capital plus the change in future development capital divided by the change in total reserves for the period, excluding dispositions and production.

Pine Cliff has incurred the following FD&A costs, excluding changes in future development capital:

	2017 <sup>(3)</sup>	2016 <sup>(4)</sup>	2015 <sup>(3)</sup>	3 year average <sup>(3)</sup>
<b>\$/Boe</b>				
Proved Reserves	2.55	1.86	5.26	3.46
Proved plus probable reserves	3.17	2.94	4.14	3.00
<b>\$/Mcf</b>				
Proved Reserves	0.43	0.31	0.88	0.58
Proved plus probable reserves	0.53	0.49	0.69	0.50

<sup>3</sup> FD&A costs, excluding changes in future development capital, are calculated as the aggregate of development capital plus acquisition capital, net of dispositions for the period divided by the change in total reserves for the period, excluding production.

<sup>4</sup> FD&A costs, excluding changes in future development capital, are calculated as the aggregate of development capital plus acquisition capital and excluding disposition capital divided by the change in total reserves for the period, excluding dispositions and production.

### Commodity Prices

The Commodity prices used in the above calculations of reserves are as follows:

Year	WTI Oil (US\$/Bbl) <sup>1</sup>	\$C to US\$ Foreign exchange rate <sup>1</sup>	Edmonton Light Crude Oil (Cdn\$/Bbl) <sup>1</sup>	AECO Gas (Cdn\$/MMBtu) <sup>1</sup>
2018	58.50	1.27	70.10	2.25
2019	58.70	1.27	71.30	2.65
2020	62.40	1.25	74.90	3.05
2021	69.00	1.21	80.50	3.40
2022	73.10	1.18	82.80	3.60
2023-2032	81.60	1.18	92.43	4.02
Thereafter	+2%/yr	1.18	+2%/yr	+2%/yr

<sup>1</sup>Source: McDaniel Price forecasts, effective January 1, 2018

Please refer to the attached Management's Discussion and Analysis for Reader Advisories regarding forward-looking information, non-GAAP measures and oil and gas measurements and definitions. This Reserves Information should be read in conjunction with the audited consolidated financial statements of Pine Cliff Energy Ltd. together with Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2017, which can be found on [www.sedar.com](http://www.sedar.com) and is subject to the same cautionary statements as set out therein.