BIRCHCLIFF
ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES SOLID Q3 2019 RESULTS AND PRELIMINARY OUTLOOK FOR 2020

Calgary, Alberta (November 14, 2019) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its financial and operational results for the three and nine months ended September 30, 2019 and its preliminary outlook for 2020. Birchcliff's unaudited interim condensed financial statements for the three and nine months ended September 30, 2019 and related management's discussion and analysis (the "**MD&A**") will be available on its website at www.birchcliffenergy.com and on SEDAR at www.sedar.com. Birchcliff is also pleased to provide an operational update.

"We had solid results in the third quarter, which were underpinned by the strong performance of our assets, our low-cost structure and the successful execution of our capital program. We had record quarterly average production of 80,548 boe/d and record low operating costs of $2.75/boe. We generated $63 million of adjusted funds flow and $23 million of free funds flow in the quarter. We are currently seeing the benefit of recently improved prices at AECO and we are on track to achieve our 2019 annual average production guidance of 77,000 to 79,000 boe/d," commented Jeff Tonken, President and Chief Executive Officer of Birchcliff. "Over the next two years, we plan to utilize the excess capacity of our 100% owned and operated natural gas processing plant in Pouce Coupe to drive free funds flow generation and maximize efficiencies. We are committed to protecting our balance sheet and our capital spending in 2020 will be targeted to either approximate or be less than our forecast of adjusted funds flow. Although we have not yet finalized our 2020 plans, we currently expect F&D capital spending to be in the range of $250 to $350 million with annual average production expected to be 78,000 to 82,000 boe/d."

Highlights

- Achieved record quarterly average production of 80,548 boe/d in Q3 2019, a 2% increase from Q3 2018.
- Liquids accounted for approximately 23% of Birchcliff's total production in Q3 2019 as compared to approximately 19% in Q3 2018. Birchcliff's total liquids production increased by 18% from Q3 2018.
- Delivered adjusted funds flow of $63.0 million, or $0.24 per basic common share, in Q3 2019, a 16% decrease and a 14% decrease, respectively, from Q3 2018.
- Generated $22.8 million of free funds flow in Q3 2019 and $54.0 million in the nine months ended September 30, 2019.
- Achieved record low operating expense of $2.75/boe in Q3 2019, a 20% decrease from Q3 2018.
- Realized an operating netback of $9.77/boe in Q3 2019, a 25% decrease from Q3 2018.
- Continued with the successful and efficient execution of its 2019 capital program, drilling 6 (6.0 net) wells and bringing 4 (4.0 net) wells on production in Q3 2019. F&D capital expenditures were $40.2 million in the quarter.
- Paid $7.0 million in common share dividends in the quarter, with $20.9 million in dividends paid to common shareholders in the nine months ended September 30, 2019.

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", "adjusted funds flow per basic common share", "free funds flow", "operating netback", "adjusted funds flow netback", "total cash costs" 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".

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

	Three months ended September 30,		Nine months ended September 30,	
	2019	**2018**[5]	**2019**	**2018**[5]
OPERATING				
Average production				
Light oil – *(bbls/d)*	4,882	4,959	4,845	4,901
Condensate – *(bbls/d)*[1]	5,744	4,456	5,226	4,026
NGLs – *(bbls/d)*[1]	7,559	6,036	7,078	5,890
Natural gas – *(Mcf/d)*	374,180	383,279	364,996	375,059
Total – boe/d	**80,548**	**79,331**	**77,982**	**77,327**
Average realized sales price *(CDN$)*[2]				
Light oil – *(per bbl)*	67.15	80.16	68.50	77.64
Condensate – *(per bbl)*[1]	65.94	84.10	67.82	84.89
NGLs – *(per bbl)*[1]	9.75	23.39	12.70	23.43
Natural gas – *(per Mcf)*	1.71	2.06	2.38	2.26
Total – per boe	**17.62**	**21.45**	**21.08**	**22.10**
NETBACK AND COST *($/boe)*				
Petroleum and natural gas revenue[2]	17.62	21.46	21.08	22.11
Royalty expense	(0.76)	(1.52)	(0.90)	(1.49)
Operating expense	(2.75)	(3.45)	(3.10)	(3.53)
Transportation and other expense	(4.34)	(3.46)	(4.41)	(3.55)
Operating netback *($/boe)*	**9.77**	**13.03**	**12.67**	**13.54**
G&A expense, net	(0.74)	(0.67)	(0.84)	(0.80)
Interest expense	(0.77)	(0.99)	(0.90)	(0.97)
Realized gain (loss) on financial instruments	0.22	(1.08)	0.95	(0.83)
Other income	0.02	0.04	0.03	0.02
Adjusted funds flow netback *($/boe)*	**8.50**	**10.33**	**11.91**	**10.96**
Depletion and depreciation expense	(7.57)	(7.40)	(7.51)	(7.47)
Unrealized loss on financial instruments	(8.22)	(1.01)	(6.87)	(0.63)
Other expenses[3]	(0.28)	(0.26)	(0.59)	(0.66)
Dividends on preferred shares	(0.26)	(0.27)	(0.27)	(0.27)
Income tax recovery (expense)	1.50	(0.48)	1.42	(0.65)
Net income (loss) to common shareholders *($/boe)*	**(6.33)**	**0.91**	**(1.91)**	**1.28**
FINANCIAL				
Petroleum and natural gas revenue *($000s)*[2]	130,588	156,609	448,800	466,701
Cash flow from operating activities *($000s)*	48,908	68,556	241,509	232,234
Adjusted funds flow *($000s)*	62,958	75,378	253,563	231,405
Per basic common share *($)*	0.24	0.28	0.95	0.87
Net income (loss) to common shareholders *($000s)*	(46,889)	6,657	(40,595)	27,125
Per basic common share *($)*	(0.18)	0.03	(0.15)	0.10
End of period basic common shares *(000s)*	265,935	265,885	265,935	265,885
Weighted average basic common shares *(000s)*	265,935	265,877	265,928	265,832
Dividends on common shares *($000s)*	6,981	6,647	20,942	19,938
Dividends on preferred shares *($000s)*	1,921	1,921	5,765	5,765
Total capital expenditures *($000s)*[4]	41,621	45,524	242,111	245,132
Long-term debt *($000s)*	638,631	635,120	638,631	635,120
Total debt *($000s)*	644,407	641,484	644,407	641,484

(1) Beginning in Q1 2019, Birchcliff began presenting condensate and NGLs separately. Prior period sales and volumes have been adjusted to conform to this current period presentation.

(2) Excludes the effects of financial instruments but includes the effects of physical delivery contracts.

(3) Includes non-cash expenses such as compensation, accretion, amortization of deferred financing fees and other losses.

(4) See *"Advisories – Capital Expenditures"*. Total capital expenditures for the nine months ended September 30, 2019 include the $39 million asset acquisition in Pouce Coupe completed by the Corporation in Q1 2019 (the "**Acquisition**").

(5) Birchcliff adopted IFRS 16: *Leases* effective January 1, 2019 using the modified retrospective approach; therefore 2018 comparative information has not been restated.

Q3 2019 FINANCIAL AND OPERATIONAL RESULTS

Production

Birchcliff's production averaged 80,548 boe/d in Q3 2019, a 2% increase from 79,331 boe/d in Q3 2018. The increase was primarily attributable to the incremental production from new horizontal oil wells in Gordondale and horizontal condensate-rich natural gas wells in Pouce Coupe that were brought on production in Q3 2019.

Liquids accounted for approximately 23% of Birchcliff's total production in Q3 2019 as compared to approximately 19% in Q3 2018, with total liquids production increasing by 18% from Q3 2018. The change in the commodity production mix was primarily attributable to the addition of condensate-rich natural gas wells in Pouce Coupe and an increase in C3+ extracted from the natural gas stream at Birchcliff's 100% owned and operated natural gas processing plant located in Pouce Coupe (the "**Pouce Coupe Gas Plant**").

Adjusted Funds Flow

Birchcliff's adjusted funds flow for Q3 2019 was $63.0 million, or $0.24 per basic common share, a 16% decrease and a 14% decrease, respectively, from $75.4 million and $0.28 per basic common share in Q3 2018. The decreases were primarily due to lower reported revenue and an increase in transportation and other expense as a result of Birchcliff's increased Dawn and AECO firm service, partially offset by lower operating and royalty expenses and a realized gain on financial instruments in Q3 2019 as compared to a realized loss on financial instruments in Q3 2018. Revenue received by the Corporation was lower mainly due to an 18% decrease in the corporate average realized sales price, partially offset by higher total liquids production.

Net Loss to Common Shareholders

Birchcliff recorded a net loss to common shareholders of $46.9 million, or $0.18 per basic common share, in Q3 2019 as compared to net income to common shareholders of $6.7 million and $0.03 per basic common share in Q3 2018. The change to a net loss position from a net income position was primarily due to an unrealized mark-to-market loss on financial instruments of $60.9 million ($46.9 million, net of tax) recorded in Q3 2019 as compared to $7.3 million ($5.4 million, net of tax) in Q3 2018, as well as lower adjusted funds flow.

Operating Expense

Birchcliff's operating expense was $2.75/boe in Q3 2019, a 20% decrease from $3.45/boe in Q3 2018. The decrease was primarily due to: (i) a step-down reduction in natural gas processing fees which became effective January 1, 2019 at AltaGas' deep-cut sour gas processing facility in Gordondale; (ii) reduced take-or-pay processing commitments in Pouce Coupe beginning in November 2018 which resulted in natural gas being redirected from third-party facilities to the Pouce Coupe Gas Plant; and (iii) increased operating efficiencies resulting from expanded liquids-handling capabilities in Pouce Coupe.

Operating Netback

Birchcliff's operating netback was $9.77/boe in Q3 2019, a 25% decrease from $13.03/boe in Q3 2018. The decrease was primarily due to an 18% decrease in the corporate average realized sales price, partially offset by lower per boe operating and royalty expenses.

Total Cash Costs

Birchcliff's total cash costs were $9.36/boe in Q3 2019, a 7% decrease from $10.09/boe in Q3 2018. The decrease was primarily due to lower per boe operating, interest and royalty expenses, partially offset by higher per boe transportation and other expense.

Pouce Coupe Gas Plant Netbacks

During the nine months ended September 30, 2019, Birchcliff processed approximately 73% of its total corporate natural gas production and 63% of its total corporate production through the Pouce Coupe Gas Plant as compared to 68% and 58%, respectively, during the nine months ended September 30, 2018. The following table sets forth Birchcliff's average daily production and operating netback for wells producing to the Pouce Coupe Gas Plant for the periods indicated:

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
Average production:				
Condensate *(bbls/d)*		3,845		2,438
NGLs *(bbls/d)*		871		-
Natural gas *(Mcf/d)*		264,699		253,360
Total *(boe/d)*		**48,832**		**44,665**
Liquids-to-gas ratio *(bbls/MMcf)*		**17.8**		**9.6**
Netback and cost:	*$/Mcfe*	*$/boe*	*$/Mcfe*	*$/boe*
Petroleum and natural gas revenue[(1)]	3.09	18.55	2.87	17.20
Royalty expense	(0.05)	(0.32)	(0.05)	(0.29)
Operating expense[(2)]	(0.35)	(2.10)	(0.35)	(2.08)
Transportation and other expense	(0.75)	(4.47)	(0.56)	(3.37)
Operating netback	**$1.94**	**$11.66**	**$1.91**	**$11.46**
Operating margin[(3)]	**63%**	**63%**	**67%**	**67%**

(1) Excludes the effects of financial instruments but includes the effects of physical delivery contracts.

(2) Represents plant and field operating expense.

(3) Operating margin is calculated by dividing the operating netback for the period by the petroleum and natural gas revenue for the period.

Birchcliff's liquids-to-gas ratio increased by 85% as compared to the nine months ended September 30, 2018 primarily due to: (i) the re-configuration of Phases V and VI of the Pouce Coupe Gas Plant in Q4 2018 which provided for shallow-cut capability, allowing Birchcliff to extract C3+ from the natural gas stream; and (ii) specifically targeted condensate-rich natural gas wells in Pouce Coupe. The amount of condensate from Montney horizontal natural gas wells being produced to the Pouce Coupe Gas Plant increased by 58% to 3,845 bbls/d in the nine months ended September 30, 2019 from 2,438 bbls/d in the nine months ended September 30, 2018. The increase in the liquids-to-gas ratio improved Birchcliff's average realized sales price and operating netback at the Pouce Coupe Gas Plant.

Debt

At September 30, 2019, Birchcliff had significant liquidity with long-term bank debt of $638.6 million (September 30, 2018: $635.1 million) from credit facilities in the aggregate principal amount of $1.0 billion (September 30, 2018: $950.0 million), leaving $354.6 million of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized interest and fees. Total debt at September 30, 2019 was $644.4 million as compared to $641.5 million at September 30, 2018. Birchcliff's credit facilities mature on May 11, 2022 and do not contain any financial maintenance covenants.

Commodity Prices

The following table sets forth the average benchmark index prices and Birchcliff's average realized sales prices for the periods indicated:

	Three months ended September 30, 2019	Three months ended September 30, 2018	% Change
Average benchmark index prices:			
Light oil – WTI Cushing *(US$/bbl)*	56.45	69.50	(19%)
Light oil – MSW (Mixed Sweet) *(CDN$/bbl)*	67.88	81.59	(17%)
Natural gas – NYMEX HH *(US$/MMBtu)*[(1)]	2.23	2.86	(22%)
Natural gas – AECO 5A Daily *(CDN$/GJ)*	0.86	1.13	(24%)
Natural gas – AECO 7A Month Ahead *(US$/MMBtu)*[(1)]	0.79	1.03	(23%)
Natural gas – Dawn Day Ahead *(US$/MMBtu)*[(1)]	2.12	2.91	(27%)
Natural gas – ATP 5A Day Ahead *(CDN$/GJ)*	0.93	1.82	(49%)
Exchange rate *(CDN$ to US$1)*	1.3207	1.3070	1%
Exchange rate *(US$ to CDN$1)*	0.7572	0.7651	(1%)
Birchcliff's average realized sales prices:[(2)]			
Light oil *(CDN$/bbl)*	67.15	80.16	(16%)
Condensate *(CDN$/bbl)*	65.94	84.10	(22%)
NGLs *(CDN$/bbl)*	9.75	23.39	(58%)
Natural gas *(CDN$/Mcf)*	1.71	2.06	(17%)
Birchcliff's average realized sales price *(CDN$/boe)*	**17.62**	**21.45**	**(18%)**

(1) $1.00/MMBtu = $1.00/Mcf based on a standard heat value Mcf. See *"Advisories – MMBtu Pricing Conversions"*.

(2) Excludes the effects of financial instruments but includes the effects of physical delivery contracts.

Marketing and Natural Gas Market Diversification

Birchcliff's physical natural gas sales exposure primarily consists of the AECO, Dawn and Alliance markets. Effective November 1, 2019, Birchcliff's level of firm service on TCPL's Canadian Mainline to Dawn increased to 175,000 GJ/d from 150,000 GJ/d. In addition, the Corporation has various financial instruments outstanding that provide it with exposure to NYMEX HH pricing.

The following table details Birchcliff's effective sales, production and average realized sales price for natural gas and liquids for Q3 2019, after taking into account the Corporation's financial instruments:

Three months ended September 30, 2019						
	Effective sales *(CDN$000s)*	**Percentage of total sales** *(%)*	**Effective production** *(per day)*	**Percentage of total natural gas production** *(%)*	**Percentage of total corporate production** *(%)*	**Effective average realized sales price** *(CDN$)*
Markets						
AECO(1)	10,599	8	134,650 Mcf	36	28	0.86/Mcf
Dawn(2)	37,528	28	137,018 Mcf	37	28	2.98/Mcf
Alliance(3)	929	1	11,172 Mcf	3	2	0.90/Mcf
NYMEX HH(1)	11,575	9	91,340 Mcf	24	19	1.38/Mcf
Total natural gas	**60,631**	**46**	**374,180 Mcf**	**100**	**77**	**1.76/Mcf**
Light oil	30,158	22	4,882 bbls		6	67.15/bbl
Condensate	34,846	27	5,744 bbls		8	65.94/bbl
NGLs	6,782	5	7,559 bbls		9	9.75/bbl
Total liquids	**71,786**	**54**	**18,185 bbls**		**23**	**42.91/bbl**
Total corporate	**132,417**	**100**	**80,548 boe**		**100**	**17.87/boe**

(1) A portion of AECO 5A sales and production that effectively received NYMEX HH pricing under Birchcliff's long-term physical and financial NYMEX/AECO 7A basis swap contracts has been included as effective sales and production in NYMEX HH markets. Birchcliff sold financial and physical AECO 7A basis swaps for 100,000 MMBtu/d at an average contract price of NYMEX less US$1.28/MMBtu during Q3 2019.

(2) Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 GJ/d of natural gas on TCPL's Canadian Mainline, whereby natural gas is transported to the Dawn trading hub in Southern Ontario. The first tranche of this service (120,000 GJ/d) became available on November 1, 2017, the second tranche (30,000 GJ/d) became available on November 1, 2018 and the third tranche (25,000 GJ/d) became available on November 1, 2019. Each tranche has a 10-year term.

(3) Birchcliff has sales agreements with a third party marketer to sell and deliver into the Alliance pipeline system. Alliance sales are recorded net of transportation tolls.

Effectively 92% of the Corporation's sales revenue, representing 64% of its total natural gas production and 72% of its total corporate production, was generated from markets outside of AECO in Q3 2019, after taking into account its liquids sales and long-term financial NYMEX/AECO basis swap position.

The following tables set forth Birchcliff's sales, production, average realized sales price, transportation costs and natural gas sales netback by natural gas market for the periods indicated, before taking into account the Corporation's financial instruments:

Three months ended September 30, 2019							
	Natural gas sales(1) *(CDN$000s)*	**Percentage of natural gas sales** *(%)*	**Natural gas production** *(Mcf/d)*	**Percentage of natural gas production** *(%)*	**Average realized natural gas sales price(1)** *(CDN$/Mcf)*	**Natural gas transportation costs(2)** *(CDN$/Mcf)*	**Natural gas sales netback(3)** *(CDN$/Mcf)*
AECO	20,343	34	225,991	60	0.98	0.31	0.67
Dawn	37,528	64	137,018	37	2.98	1.35	1.63
Alliance(4)	929	2	11,171	3	0.90	-	0.90
Total	**58,800**	**100**	**374,180**	**100**	**1.71**	**0.69**	**1.02**

Three months ended September 30, 2018							
	Natural gas sales[1] *(CDN$000s)*	**Percentage of natural gas sales** *(%)*	**Natural gas production** *(Mcf/d)*	**Percentage of natural gas production** *(%)*	**Average realized natural gas sales price[1]** *(CDN$/Mcf)*	**Natural gas transportation costs[2]** *(CDN$/Mcf)*	**Natural gas sales netback[3]** *(CDN$/Mcf)*
AECO	29,935	41	254,819	66	1.27	0.27	1.00
Dawn	40,248	56	109,614	29	3.99	1.30	2.69
Alliance[4]	2,355	3	18,846	5	1.42	-	1.42
Total	**72,538**	**100**	**383,279**	**100**	**2.06**	**0.55**	**1.51**

(1) Excludes the effects of financial instruments but includes the effects of physical delivery contracts.
(2) Reflects costs to transport natural gas from the field receipt point to the delivery sales trading hub.
(3) Natural gas sales netback denotes the average realized natural gas sales price less natural gas transportation costs.
(4) Alliance sales are recorded net of transportation tolls.

The Corporation's average realized natural gas sales price was $1.71/Mcf in Q3 2019, an 88% premium to the average AECO 5A benchmark price of $0.91/Mcf in the quarter.

During Q3 2019, approximately 66% of Birchcliff's natural gas sales revenue, representing approximately 40% of its total natural gas production, was generated from the Dawn and Alliance markets with an average realized natural gas sales price of $2.82/Mcf, a 188% premium to Birchcliff's average realized natural gas sales price of $0.98/Mcf from the AECO market in Q3 2019.

Birchcliff's average realized natural gas sales netback from the Dawn and Alliance markets was $1.57/Mcf, a 135% premium to its realized natural gas sales netback of $0.67/Mcf from the AECO market in Q3 2019.

Capital Activities and Investment

During Q3 2019, Birchcliff continued with the successful execution of its 2019 capital program (the "**2019 Capital Program**"), drilling 6 (6.0 net) wells and bringing 4 (4.0 net) wells on production. Total capital expenditures in the quarter were $41.6 million, with total capital expenditures of $18.8 million in Pouce Coupe and $22.8 million in Gordondale. F&D capital expenditures in Q3 2019 were $40.2 million. For further information regarding Birchcliff's operational activities year-to-date, see *"Operational Update"* below.

OPERATIONAL UPDATE

Update on the 2019 Capital Program

The 2019 Capital Program is focused on Birchcliff's high-value light oil assets in Gordondale and its condensate-rich assets in Pouce Coupe, with the majority of capital investment directed towards the drilling of horizontal condensate-rich natural gas wells in Pouce Coupe and horizontal oil wells in Gordondale. In addition, the 2019 Capital Program advances the Corporation's inlet liquids-handling facility at the Pouce Coupe Gas Plant and directs funds towards other infrastructure enhancement projects. By early November 2019, Birchcliff had drilled and brought on production all wells that were planned under the 2019 Capital Program. Birchcliff has been encouraged with the results of the wells brought on production year-to-date, with strong condensate rates from its Pouce Coupe wells and strong oil and natural gas rates from its Gordondale wells.

Birchcliff has been able to realize numerous capital cost savings over the past year as a result of its strategic planning and efficient execution of the 2019 Capital Program. Given these cost savings and the success of the 2019 Capital Program, Birchcliff is drilling six additional horizontal wells and proceeding with other ancillary drilling operations in Q4 2019. None of the wells will be completed this year and all are expected to be completed and brought on production in late Q1 2020 or early Q2 2020. As none of the wells will be completed in 2019, no new production or reserves will be added this year as a result. Accordingly, the Corporation is maintaining its annual average production guidance at 77,000 to 79,000 boe/d. See *"2019 Guidance".*

Birchcliff expects that this capital activity in Q4 2019 will result in more efficient capital spending and production profiles in 2020 and reduce the amount of capital needed to be spent by the Corporation in 2020. In addition, Birchcliff anticipates that it will be able to secure lower rates for services and benefit from the efficiencies associated with commencing field activities outside of the most active season.

As a result of the capital cost savings realized by the Corporation year-to-date, Birchcliff expects that it will be able to execute this additional capital activity in Q4 2019 within or close to its 2019 F&D capital budget of $242 million. Accordingly, the Corporation is maintaining its 2019 capital expenditures guidance. See *"2019 Guidance"*.

The following tables summarize the wells that Birchcliff has drilled and brought on production year-to-date and the remaining and total number of wells to be drilled in 2019:

Wells Drilled – 2019

Area	Wells drilled year-to-date	Remaining wells to be drilled in 2019	Total wells to be drilled in 2019
Pouce Coupe			
Montney D1 horizontal natural gas wells	9	0	9
Montney D2 horizontal natural gas wells	2	3	5
Montney C horizontal natural gas wells	1	1	2
Total – Pouce Coupe	**12**	**4**	**16**
Gordondale			
Montney D4 horizontal oil wells	0	1	1
Montney D2 horizontal oil wells	7	0	7
Montney D1 horizontal oil wells	5	1	6
Total – Gordondale	**12**	**2**	**14**
TOTAL – COMBINED	**24**	**6**	**30**

Wells Brought on Production – 2019

Area	Wells brought on production year-to-date	Remaining wells to be brought on production in 2019	Total wells to be brought on production in 2019(1)
Pouce Coupe			
Montney D1 horizontal natural gas wells	14	0	14
Montney D2 horizontal natural gas wells	2	0	2
Montney C horizontal natural gas wells	1	0	1
Total – Pouce Coupe	**17**	**0**	**17**
Gordondale			
Montney D2 horizontal oil wells	9	0	9
Montney D1 horizontal oil wells	7	0	7
Total – Gordondale	**16**	**0**	**16**
TOTAL – COMBINED	**33**	**0**	**33**

(1) Includes 9 (9.0) net wells that were drilled and rig released in Q4 2018.

Pouce Coupe

Key focus areas for Pouce Coupe in 2019 are 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 early November 2019, the Corporation brought on production a three-well pad located at 06-32-078-12W6. All of the wells are Montney D1 wells and are located adjacent to Birchcliff's previously successful condensate-rich drilling in Pouce Coupe. These wells are benefiting from recently improved prices at AECO and will help the Corporation to maintain a consistent production profile throughout Q1 2020.

As previously disclosed, Birchcliff has initiated the construction of a 20,000 bbls/d inlet liquids-handling facility at the Pouce Coupe Gas Plant in order to handle increased condensate volumes in the area. 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 online in Q3 2020.

Gordondale

Key focus areas for Gordondale in 2019 are the drilling of crude oil wells and the further exploitation and delineation of oil in the Montney D1 and D2 intervals, specifically in the southeastern part of the Gordondale field. In October 2019, Birchcliff brought on production a four-well pad located at 02-02-078-11W6. The wells consist of two Montney D1 and two Montney D2 wells and are located adjacent to Birchcliff's previously successful drilling in Gordondale.

Due to the Corporation's success in the southeastern part of the Gordondale field and the targeted activity expected in 2020, 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 the 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.

2019 GUIDANCE

Birchcliff is on track to achieve its 2019 annual average production guidance of 77,000 to 79,000 boe/d, which is expected to generate approximately $335 million of adjusted funds flow based on the assumptions set forth herein. The following table sets forth Birchcliff's guidance and commodity price assumptions for 2019:

	2019 Guidance and Assumptions(1)
Production	
Annual average production *(boe/d)*	77,000 – 79,000
% Light oil	6%
% Condensate	7%
% NGLs	9%
% Natural gas	78%
Average Expenses *($/boe)*	
Royalty	1.10 – 1.30
Operating	3.15 – 3.35
Transportation and other	4.65 – 4.85(2)
Adjusted Funds Flow *(MM$)*	335(3)
F&D Capital Expenditures *(MM$)*	242(4)
Free Funds Flow *(MM$)*	93(5)
Total Capital Expenditures *(MM$)*	283(4)
Natural Gas Market Exposure(6)	
AECO exposure as a % of total natural gas production	34%
Dawn exposure as a % of total natural gas production	38%
NYMEX HH exposure as a % of total natural gas production	25%
Alliance exposure as a % of total natural gas production	3%
Commodity Prices	
Average WTI spot price *(US$/bbl)*	57.50
Average WTI-MSW differential *(CDN$/bbl)*	7.50
Average AECO 5A spot price *(CDN$/GJ)*	1.50
Average Dawn spot price *(CDN$/GJ)*	3.05
Average NYMEX HH spot price *(US$/MMBtu)*(7)	2.70
Exchange rate *(CDN$ to US$1)*	1.32

(1) As previously disclosed on August 14, 2019. Birchcliff's guidance for its commodity mix, average expenses, funds flow, capital expenditures and natural gas market exposure in 2019 is based on an annual average production rate of 78,000 boe/d during 2019, which is the mid-point of Birchcliff's annual average production guidance for 2019.

(2) Includes transportation tolls for 150,000 GJ/d of natural gas sold at the Dawn price from January 1, 2019 to October 31, 2019 and 175,000 GJ/d from November 1, 2019 to December 31, 2019. Also includes any unused firm transportation costs associated with Birchcliff's commitments on the NGTL system.

(3) Birchcliff's estimate of adjusted funds flow takes into account the settlement of financial and physical commodity risk management contracts outstanding as at August 14, 2019. See *"Discussion of Operations – Risk Management"* in the MD&A.

(4) Birchcliff's estimate of F&D capital expenditures excludes the purchase price for the Acquisition and any other net potential acquisitions and dispositions. Birchcliff's estimate of total capital expenditures includes the purchase price for the Acquisition and other acquisitions and dispositions completed year-to-date; however, this estimate does not take into account any other potential acquisitions or dispositions as these amounts are unbudgeted. The estimate of total capital expenditures also includes minor administrative assets. See *"Advisories – Capital Expenditures".*

(5) Free funds flow is calculated as adjusted funds flow less F&D capital expenditures and is prior to administrative assets, acquisitions, dispositions, dividend payments and abandonment and reclamation obligations. See *"Non-GAAP Measures"*.

(6) Birchcliff's guidance regarding its natural gas market exposure in 2019 assumes: (i) 150,000 GJ/d being sold at the Dawn index price from January 1, 2019 to October 31, 2019 and 175,000 GJ/d from November 1, 2019 to December 31, 2019; (ii) 5 MMcf/d being sold at Alliance's Trading Pool daily index price; and (iii) 100,000 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.

(7) $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.

Birchcliff is committed to protecting its strong balance sheet and will allocate free funds flow based on what it believes will provide the most value to its shareholders.

Effective November 1, 2019, Birchcliff's level of firm service on TCPL's Canadian Mainline to Dawn increased to 175,000 GJ/d from 150,000 GJ/d. Effectively 88% of Birchcliff's total revenue in 2019, representing 74% of its total production, is expected to be based on non-AECO benchmark prices after taking into account its commodity risk management contracts and expected sales from liquids and based on the commodity price assumptions set forth in the table above.

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".*

Birchcliff expects to release details regarding its unaudited financial results and reserves for the financial year ended December 31, 2019 on February 12, 2020.

PRELIMINARY OUTLOOK FOR 2020 AND BEYOND

Birchcliff is committed to protecting its balance sheet, its financial flexibility and its common share dividend and will target capital spending over the next two years to either approximate or be less than its forecast of adjusted funds flow each year. 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.

Birchcliff believes that the key to creating shareholder value over the next two years will be through fully utilizing the excess capacity of its existing infrastructure, which in turn will allow the Corporation to maximize its production, its netbacks and its ability to generate free funds flow, as well as drive down its operating and other cash costs on a per unit basis and maximize efficiencies. Accordingly, Birchcliff plans to fill its 100% owned and operated Pouce Coupe Gas Plant in 2020 and 2021 (which is currently operating at approximately 80% of its total processing capacity of 340 MMcf/d), as well as other infrastructure. 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 in 2020 and 2021. However, if commodity prices deteriorate materially, 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 has no plans to invest in further phases of the Pouce Coupe Gas Plant at this time.

With respect to 2020, Birchcliff is currently in the process of finalizing its capital spending plans. Depending on economic conditions, commodity prices and other factors, Birchcliff currently expects F&D capital spending in 2020 to be in the range of $250 to $350 million. Annual average production in 2020 is expected to be in the range of 78,000 to 82,000 boe/d. The Corporation intends to finalize its 2020 capital spending plans in late January 2020. See *"Advisories – Forward-Looking Statements".*

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
bbl	barrel
bbls	barrels
bbls/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
C3+	propane plus
condensate	pentanes plus (C5+)
F&D	finding and development
G&A	general and administrative
GAAP	generally accepted accounting principles for Canadian public companies which are currently IFRS
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
liquids	light oil, condensate and NGLs
m^3	cubic metres
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
Mcfe	thousand cubic feet of gas equivalent
MJ	megajoule
MM$	millions of dollars
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf	million cubic feet
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
TCPL	TransCanada PipeLines Limited
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
000s	thousands
$000s	thousands of dollars

NON-GAAP MEASURES

This press release uses "adjusted funds flow", "adjusted funds flow per basic common share", "free funds flow", "operating netback", "adjusted funds flow netback", "total cash costs" 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 and "adjusted funds flow per basic common share" denotes adjusted funds flow divided by the basic weighted average number of common shares outstanding for the period. "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. "Adjusted funds flow netback" denotes petroleum and natural gas revenue less royalty expense, less operating expense, less transportation and other expense, less net G&A expense, less interest expense and less any realized losses (plus realized gains) on financial instruments and plus any other cash income sources. "Total cash costs" are comprised of royalty, operating, transportation and other, G&A and interest expenses. "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, including reconciliations to the most directly comparable GAAP measures where applicable, see *"Non-GAAP Measures"* in the MD&A.

ADVISORIES

Unaudited Information

All financial and operational information contained in this press release for the three and nine months ended September 30, 2019 and 2018 is unaudited.

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 and Mcfe Conversions

Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to 1 bbl of oil and Mcfe amounts have been calculated by using the conversion ratio of 1 bbl of oil to 6 Mcf of natural gas. Boe and Mcfe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl and an Mcfe conversion ratio of 1 bbl: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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".*

Initial Production Rates

Any references in this press release to initial production rates or other short-term production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue to produce and decline thereafter and are not indicative of the long-term performance or the ultimate recovery of such wells. In addition, such rates may also include recovered "load oil" or "load water" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place undue reliance on such rates in calculating the aggregate production for Birchcliff. Such rates are based on field estimates and may be based on limited data available at this time.

Capital Expenditures

Unless otherwise stated, references in this press release to: (i) "F&D capital" denotes capital for land, seismic, workovers, drilling and completions and well equipment and facilities; and (ii) "total capital expenditures" denotes F&D capital plus acquisitions, less any dispositions, plus administrative assets.

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", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "guidance", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should", "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; statements regarding Birchcliff's 2019 Capital Program (including the information set forth under the heading *"Operational Update"*) and its proposed exploration and development activities and the timing thereof (including: the focus of, the objectives of and the anticipated results from and the expected benefits of the 2019 Capital Program; the number and types of wells to be drilled and brought on production and the timing thereof; statements that the capital activity in Q4 2019 will result in more efficient capital spending and production profiles in 2020, reduce the amount of capital needed to be spent by the Corporation in 2020 and that the Corporation will be able to secure lower rates for services and benefit from the efficiencies associated with commencing field activities outside of the most active season; and Birchcliff's expectation that it will be able to execute the additional capital activity in Q4 2019 within or close to its 2019 F&D capital budget of $242 million); statements regarding the planned inlet liquids-handling facility at the Pouce Coupe Gas Plant (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); the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets; the information set forth under the heading *"2019 Guidance"* and elsewhere in this press release as it relates to Birchcliff's 2019 guidance (including: statements that Birchcliff is on track to achieve its 2019 annual average production guidance of 77,000 to 79,000 boe/d which is expected to generate approximately $335 million of adjusted funds flow; Birchcliff's estimates of annual average production, commodity mix, average expenses, adjusted and free funds flow, capital expenditures and natural gas market exposure in 2019; that Birchcliff is committed to protecting its strong balance sheet and will allocate free funds flow based on what Birchcliff believes will provide the most value to its shareholders; that effectively 88% of Birchcliff's total revenue in 2019, representing 74% of its total production, is expected to be based on non-AECO benchmark prices; and that Birchcliff expects to release details regarding its unaudited financial results and reserves for the financial year ended December 31, 2019 on February 12, 2020); and the information set forth under the heading *"Preliminary Outlook for 2020 and Beyond"* and elsewhere in this press release as it relates to Birchcliff's preliminary plans and outlook for 2020 and beyond (including: statements that Birchcliff is committed to protecting its balance sheet, its financial flexibility and its common share dividend and will target capital spending over the next two years to either approximate or be less than its forecast of adjusted funds flow each year; statements 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; Birchcliff's belief that the key to creating shareholder value over the next two years will be through fully utilizing the excess capacity of its existing infrastructure, which in turn will allow the Corporation to maximize its production, its netbacks and its ability to generate free funds flow, as well as drive down its operating and other cash costs and maximize efficiencies; statements that Birchcliff plans to fill its 100% owned and operated Pouce Coupe Gas Plant in 2020 and 2021, as well as other infrastructure; 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 NGTL system which the Corporation is currently paying for; Birchcliff's expectation that the number of wells required to fill the Pouce Coupe Gas Plant to capacity can be drilled and completed in 2020 and 2021; statements 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; statements that given current economic and industry conditions, Birchcliff has no plans to invest in further phases of the Pouce Coupe Gas Plant at this time; statements that Birchcliff currently expects F&D capital spending in 2020 to be in the range of $250 to $350 million and that annual average production in 2020 is expected to be in the range of 78,000 to 82,000 boe/d; and statements that the Corporation intends to finalize its 2020 capital spending plans in late January 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 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, G&A 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 2019 guidance assumes the following commodity prices and exchange rate during 2019: an average WTI spot price of US$57.50/bbl; an average WTI-MSW differential of $7.50/bbl; an average AECO 5A spot price of $1.50/GJ; an average Dawn spot price of $3.05/GJ; an average NYMEX HH spot price of US$2.70/MMBtu; and an exchange rate (CDN$ to US$1) of 1.32.

- With respect to estimates of 2019 capital expenditures and Birchcliff's spending plans for 2019, such estimates and plans assume that the 2019 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 statements that the additional capital activity in Q4 2019 will result in more efficient capital spending and production profiles in 2020 and reduce the amount of capital needed to be spent by Birchcliff in 2020, such statements assume that Birchcliff will execute a capital program in 2020 that is designed to achieve an annual average production rate of 78,000 to 82,000 boe/d and that production levels throughout 2020 will remain relatively stable.

- 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 Birchcliff's estimates of adjusted and free funds flow for 2019, such estimates assume that: the 2019 Capital Program will be carried out as currently contemplated and the level of capital spending for 2019 set forth herein will be achieved; and the production targets, commodity mix, natural gas market exposure and commodity price assumptions set forth herein are met.
- 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.

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; 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, equipment failures 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; uncertainties associated with estimating oil and natural gas reserves and resources; the accuracy of oil and natural gas reserves estimates and estimated 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 in tax laws, Crown royalty rates, environmental 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 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 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; alternatives to and 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); and risks associated with the ownership of the Corporation's securities. With respect to the Corporation's preliminary outlook for 2020, Birchcliff's 2020 capital budget will be subject to approval by its board of directors, is subject to change and does not take into account any potential future acquisition and disposition activity during 2020. The actual 2020 capital budget may impact information contained herein regarding the Corporation's preliminary outlook for 2020 and beyond, including its estimated production for 2020.

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 and free funds flow, 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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