

**PINE CLIFF ENERGY LTD.**



# CORPORATE PRESENTATION

August 2024

# CAUTIONARY STATEMENTS



Certain statements contained in this presentation include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. In particular, this presentation contains statements regarding: the potential growth opportunities and benefits on Pine Cliff Energy Ltd.’s (“**Pine Cliff**” of the “**Company**”) assets; information regarding Pine Cliff on a *pro forma* basis; expected decline rates; the strategy of the Company and the ability of the Company to execute on this strategy; expected adjusted funds flow; future returns on share price; future capital expenditures, including the amount, timing and nature thereof; oil and natural gas prices and demand; funds flow / adjusted funds flow leverage to natural gas prices; corporate netbacks and break even price and its ability to provide protection from volatile commodity prices; expected operating expenses, processing and gathering income, transportation costs, royalty rates, general and administrative expenses and interest expenses; funds flow (defined herein as commodity revenues plus processing and gathering income less royalties, operating expenses, transportation, G&A and interest); expansion and other development trends of the oil and gas industry; reserve and resource volumes; estimated ultimate recoveries (“**EUR**”); estimated capital per well; business strategy and outlook; expansion and growth of the business and operations; maintenance of existing customer, supplier and partner relationships; future acquisition opportunities including the amount, timing, success and nature thereof; the ability of the Company to raise capital; the ability of the Company to grow production, repay debt, pay dividends, repurchase shares; supply channels; accounting policies; credit risks; availability and number of drilling or recompletion locations, including the timing and success thereof; expected internal rates of return (defined herein); expected IP365 (defined herein); the potential growth opportunities on the assets; change in Pine Cliff’s asset retirement obligation; timing of asset retirement obligations; the 2024 production guidance; the 2024 capital guidance, including the allocation of the capital budget; the 2024 adjusted funds flow projections; the 2024 adjusted funds flow sensitivity; the 2024 free funds flow yield; and other such matters. As such, many factors could cause the performance or achievement of Pine Cliff to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements. All data, projections, sensitivities, graphs or any other information in this presentation compiled by a third party has been credited to that third party and Pine Cliff does not take responsibility for the accuracy of such information. In addition, statements relating to “reserves” are by their nature forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Pine Cliff cautions that its future oil, natural gas and natural gas liquids production, revenues, adjusted funds flow, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing and amount of future capital expenditures, and other forward-looking information is subject to all of the risks and uncertainties normally incident to the exploration for and development and production and sale of oil and gas.

All such forward-looking information, including 2024 adjusted funds flow projections and 2024 free funds flow yield, is based on certain assumptions and analyses made by Pine Cliff in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient funds flow from operating activities to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived therefrom. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained herein is expressly qualified by these cautionary statements.

This presentation contains the term barrels of oil equivalent (“**Boe**”) which has been calculated on the basis of six thousand cubic feet equivalent (“**Mcf**”) of gas to one barrel of oil. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The term boe may be misleading, particularly if used in isolation. This presentation also contains a number of oil and gas metrics, including funds flow, maintenance capital, initial production rates (“**IP**”), capital efficiencies and internal rate of return (“**IRR**”) which do not have standardized meanings or standard methods of calculation and many not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate the Company. IRR is calculated by taking expected capital costs to drill, complete, equip and tie-in wells against future net revenue and management estimates of operating costs, royalties, production rates and reserves. IP is the initial production rates for the first stated number of days of production of a well. Capital efficiencies are calculated by dividing the IP production rates by the capital cost.

Undeveloped locations consist of drilling and recompletion locations booked in the independent reserve report dated March 4, 2024 prepared by McDaniel & Associates Consultants Limited (the “2023 Reserve Report”) and unbooked drilling and recompletion locations. Booked locations are proposed proved and probable locations identified in the 2023 Reserve Report. Unbooked drilling and recompletion locations are internal estimates based on an evaluation of geology, volumetrics and analogs evaluation of geologic, reserves and spacing based on industry practice. Pine Cliff has identified 156 gross (99.1 net) undeveloped locations of which 24 gross (17.4 net) are proved drilling locations, 26 gross (17.3 net) are probable drilling locations, and 106 gross (64.4 net) are unbooked drilling locations. There is no guarantee that Pine Cliff will drill any or all of the undrilled locations and there is no certainty that drilling these locations will result in additional reserves or production or achieve expected rates of return. Pine Cliff’s drilling activity depends on availability of capital, regulatory approvals, commodity prices, drilling costs and other factors. As such, Pine Cliff’s actual drilling activities may materially differ from those presently identified, which could adversely affect Pine Cliff’s business.

This presentation uses the terms “adjusted funds flow”, “operating netbacks”, “corporate netbacks”, “positive net cash (net debt)”, and “free funds flow” which are not recognized under IFRS and may not be comparable to similar measures presented by other companies. The Company uses these measures to evaluate its performance, leverage and liquidity. Adjusted funds flow is a non-GAAP measure that represents the total of cash provided from operating activities, before adjusting for changes in non-cash working capital, and decommissioning obligations settled. Positive net cash (net debt) is a non-GAAP measure calculated as the sum of accounts receivable, cash, investments and prepaid expenses and deposits, less demand loan, term loan and accounts payable and accrued liabilities. Operating netback is a non-GAAP measure calculated as the Company’s total commodity revenue, plus processing and gathering income, less royalty expenses, operating expenses, and transportation expenses, divided by the Boe or Mcfe production of the Company. Corporate netback is a non-GAAP measure calculated as the Company’s operating netback, plus interest income, less general and administrative expenses, interest expense, divided by the Boe or Mcfe production of the Company. Free funds flow is a non-GAAP measure calculated as adjusted funds flow less decommissioning obligations settled and capital expenditures.

# REASONS TO OWN PINE CLIFF STOCK



## Disciplined Dividend

- Dividend level in 2024 provides income to investors amid weak summer AECO prices, while prudently managing balance sheet ahead of improved strip going into 2025.

## Conservative Balance Sheet

- Term debt (\$54.2m @ end of Q2) used to fund \$106 accretive 4Q23 privateco maintains conservative balance sheet.

## Leverage to Canadian Natgas

- Significant leverage to AECO gas prices provides exposure to improving energy and natural gas fundamentals in Western Canada.

## High Insider Ownership

- AIMCo, one of the largest institutional investors in Canada, is Pine Cliff's largest shareholder and **owns over 10%** of the company's equity; senior management and directors **own 4%** of the company.

## Low Technical Risk

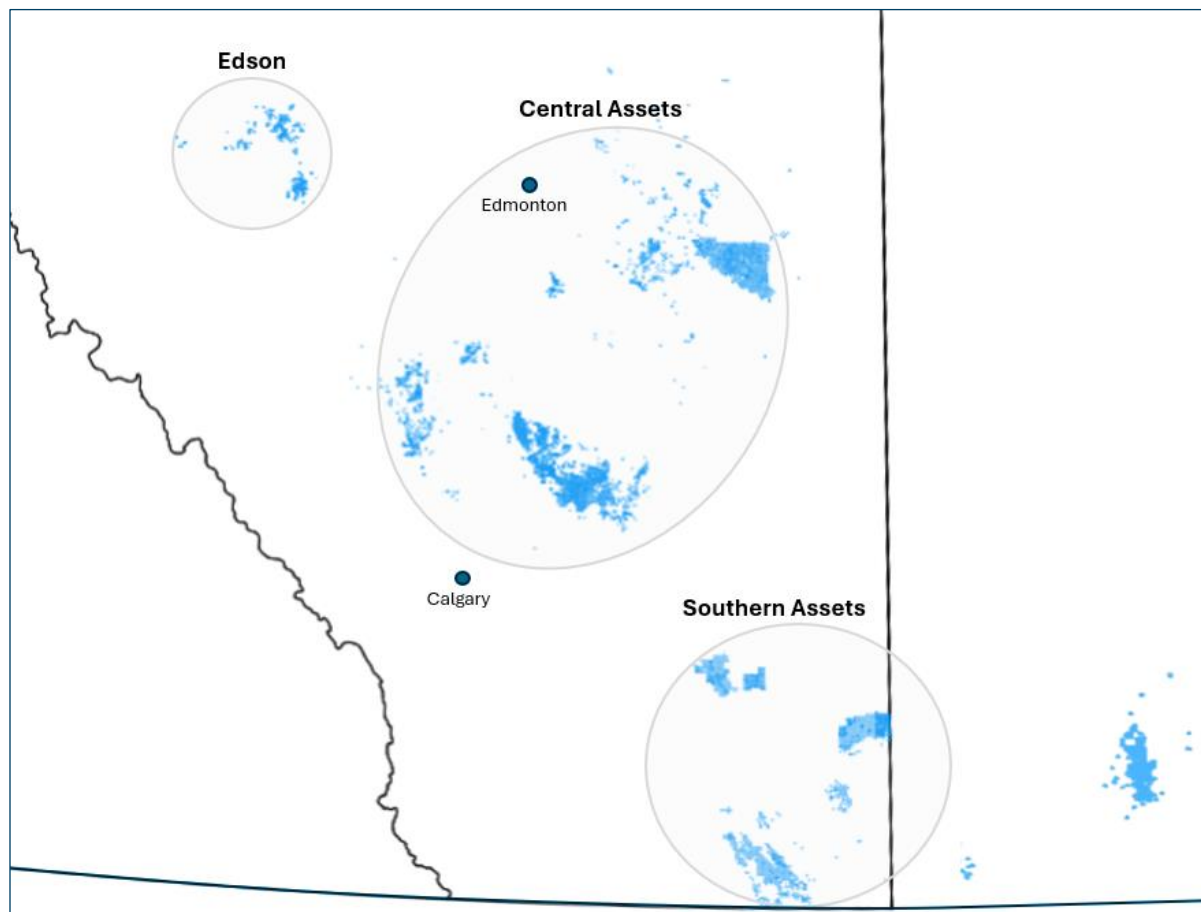
- **Production decline rate of < 10%** is one of the lowest among all Canadian public producers (31% industry average<sup>(1)</sup>). Minimizes the amount of capital needed to sustain production to permit more cash to be returned to shareholders.

(1) Peters & Co. Limited (January 2024)

# PINE CLIFF ENERGY OVERVIEW



Pine Cliff Energy is a Canadian natural gas producing company that has grown from 100 barrels of oil equivalent per day (boe/d) in 2012 to over 24,000 boe/d. Backed by an industry-low production decline rate and strong balance sheet, PNE's goal is to create shareholder value through disciplined low-risk operations and accretive acquisitions, while paying surplus funds to shareholders in the form of a dividend.



## Marketing and Trading Summary (as of August 7, 2024)

<b>Market Capitalization <sup>(1)</sup></b>	<b>\$325.2 m</b>
<b>Average Daily Volume/Value</b>	<b>~0.35 mm/\$400k</b>
<b>52-Week Trading Range</b>	<b>C\$0.85 – C\$1.68 US\$0.62 – US\$1.22</b>
<b>Shares Issued <sup>(2)</sup></b>	<b>357.9 mm</b>

## Corporate Highlights

<b>2024 Production Guidance</b> % Natural Gas	<b>23,250 – 23,750 boe/d</b> <b>~79%</b>
<b>2024 Capital Guidance</b>	<b>\$17.5mm</b>
<b>Corporate Base Production Decline</b>	<b>~9%</b>
<b>Long-term Debt (Jun 31/24)</b>	<b>\$54.2 MM</b>
<b>Tax Pools (Dec 31/23)</b>	<b>~\$388mm</b>
<b>Insider Ownership<sup>(3)</sup></b>	
<b>Basic</b>	<b>14%</b>
<b>Fully Diluted</b>	<b>17%</b>

<sup>(1)</sup> Based on August 7, 2024 closing price of \$0.90

<sup>(2)</sup> Estimated at June 30, 2024. In addition, there were 27.9 mm stock options issued (8.0% of outstanding shares)

<sup>(3)</sup> Insiders include the Alberta Investment Management Corporation (AIMCO) and the officers and directors of Pine Cliff

# 2024 BUDGET DESIGNED TO MAINTAIN FINANCIAL FLEXIBILITY



## Production

23,250 – 23,750 (79% natural gas)

## Royalty Range

10.5% – 11.5%

## Net Opex & Transport

\$13.40 - \$14.50 per boe

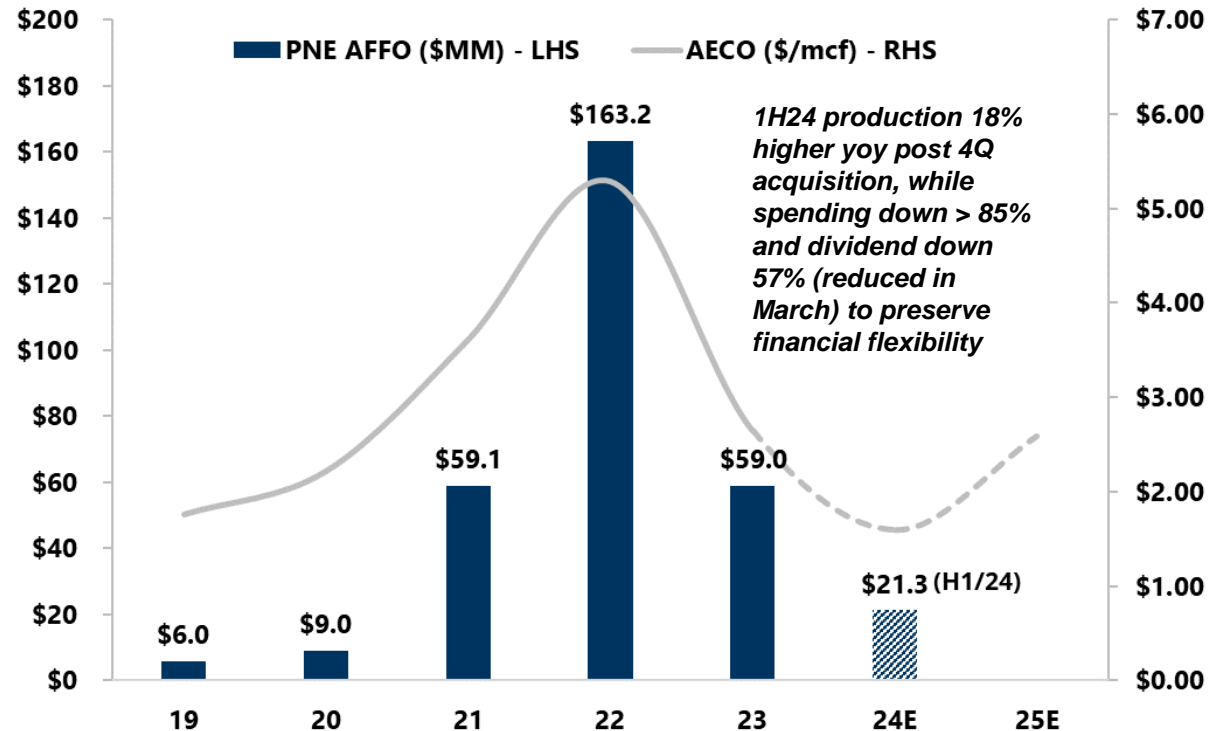
## Capex (inc ARO spend)

\$17.5MM

## Dividend (annualized)

\$0.06 per share

*Pine Cliff continues to take a disciplined approach to managing cash flow while maintaining leverage to higher gas prices in 2025*

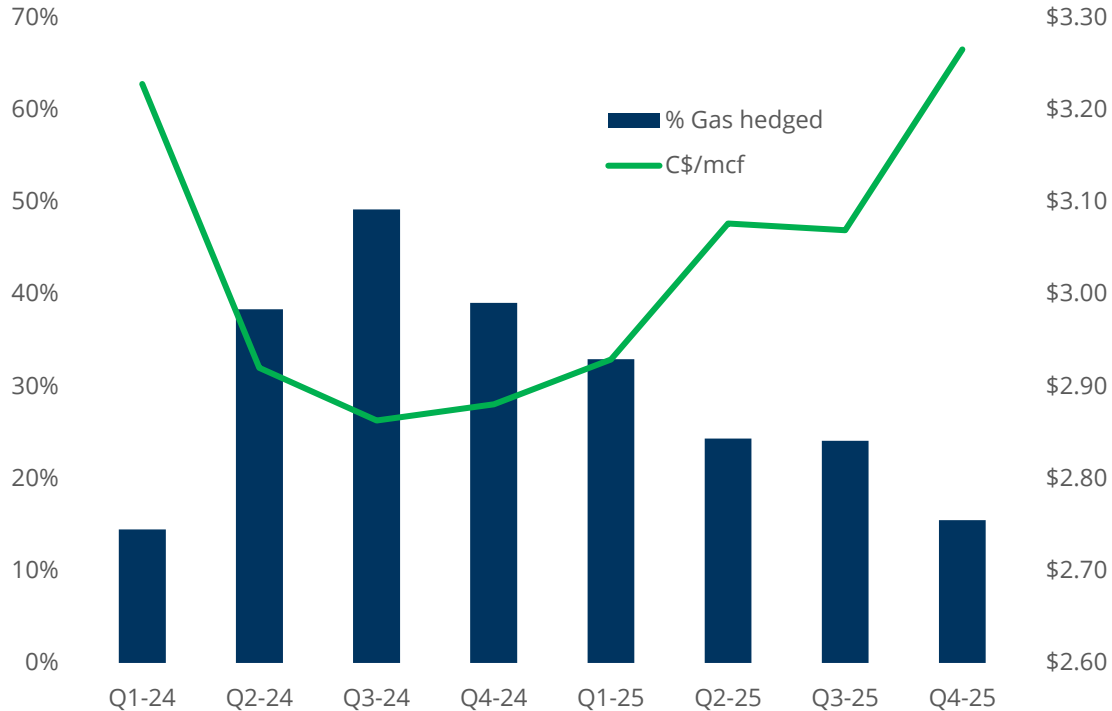


*Integration of 4Q23 acquisition is complete, increasing liquids exposure to ~ 21% of production and 52% of revenue in 1H/24*

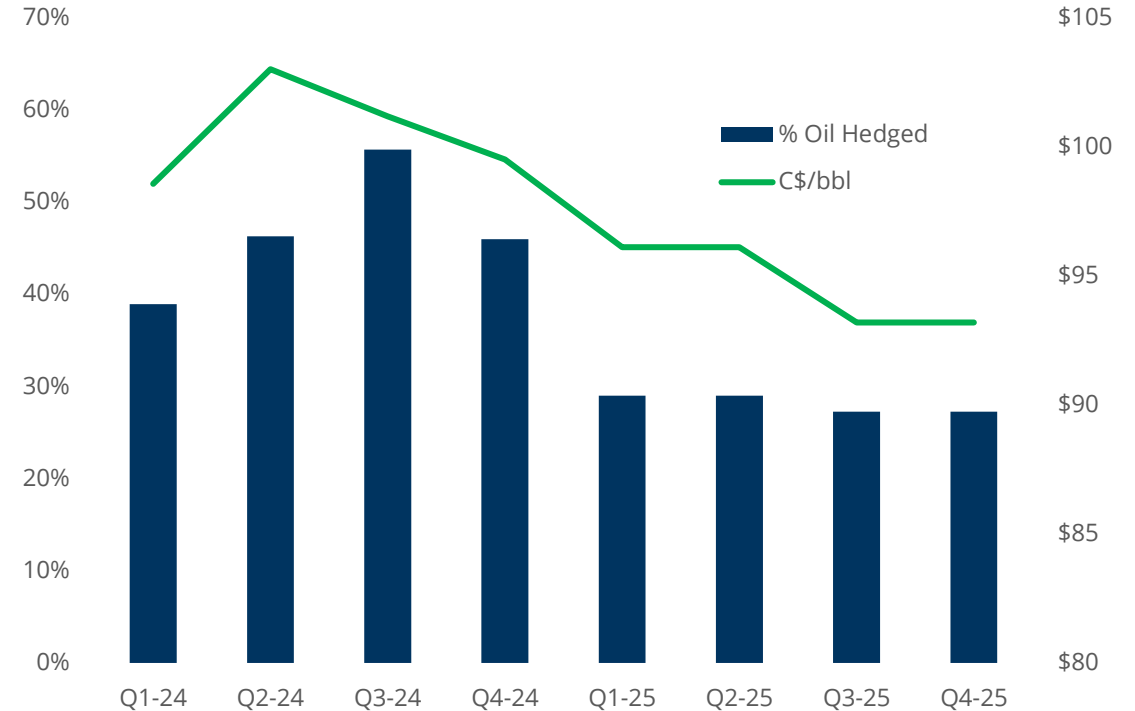
# HEDGE POSITIONS HELPS PROTECT NEAR-TERM CASH FLOW



**AECO GAS HEDGE PROFILE (1)**



**OIL HEDGE PROFILE (1)**



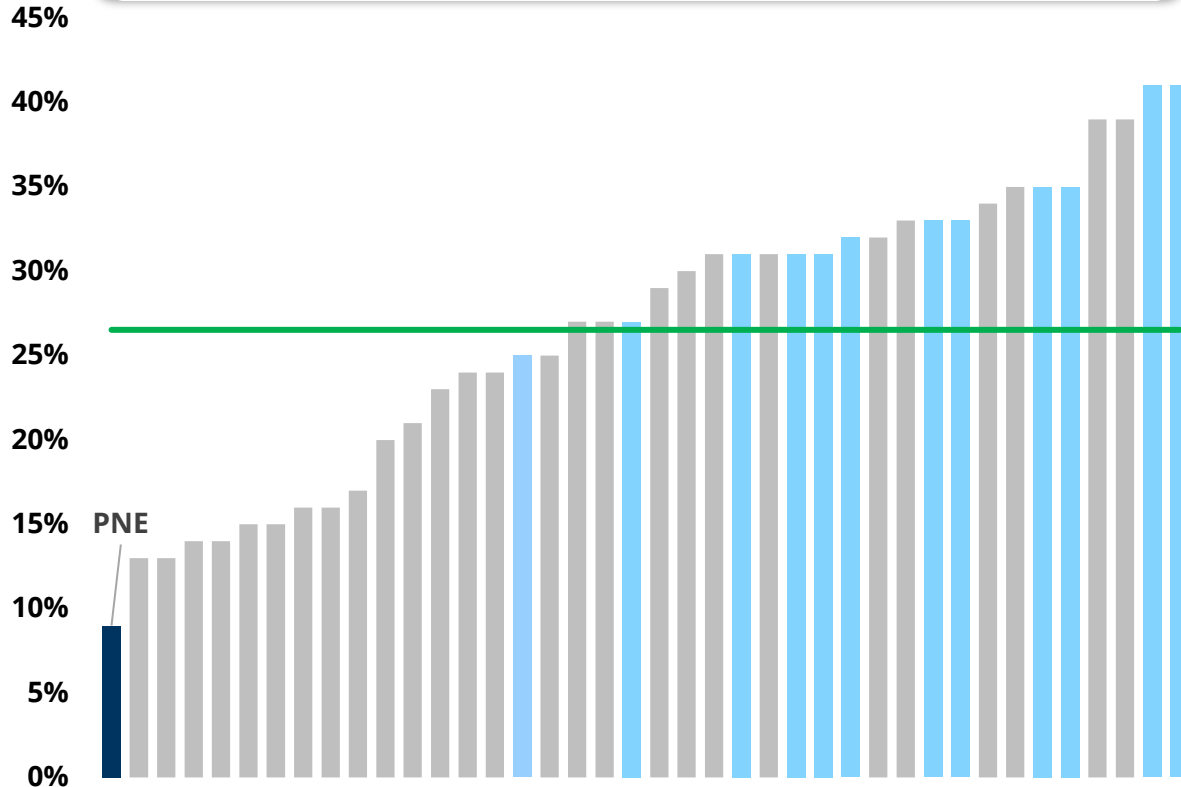
***PNE will continue to prudently protect cash flow by layering in hedge positions***

(1) Hedge details can be found in the Q2/24 MD&A; % production based on the midpoint of the 2024 annual guidance range as presented on slide 4

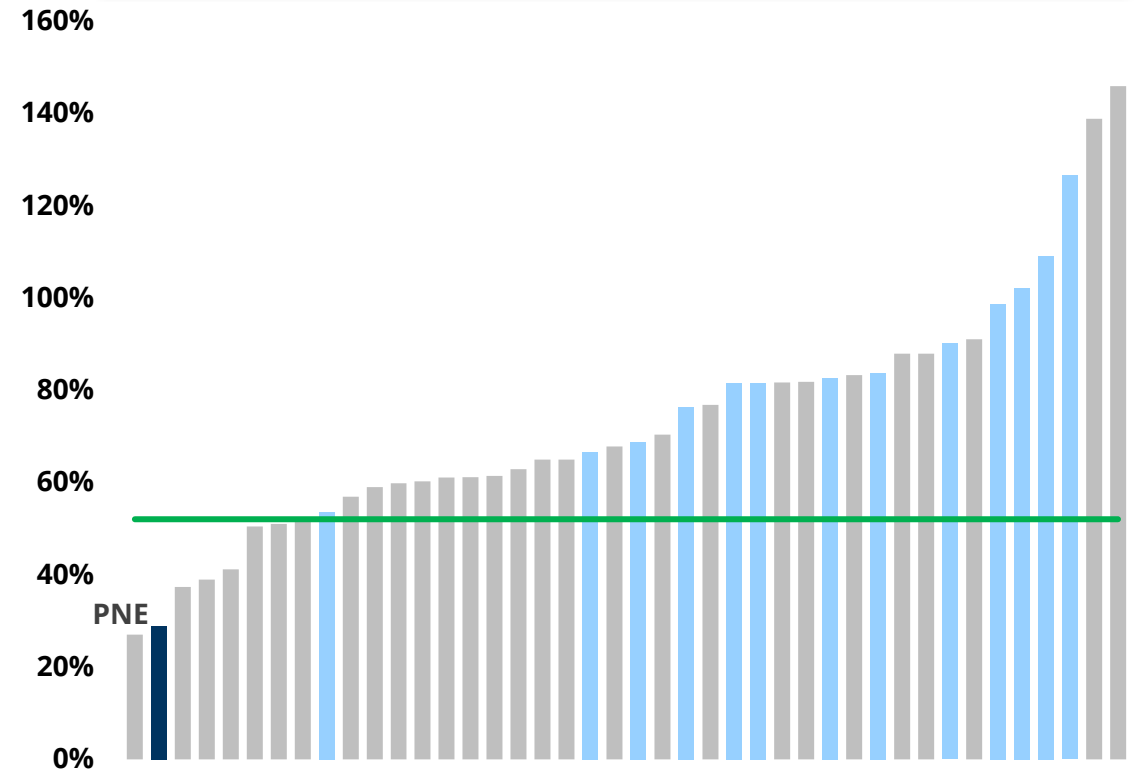
# LOW DECLINE IS A KEY DIFFERENTIATOR FOR PINE CLIFF



## CANADIAN E&P CORPORATE DECLINES (2024E) <sup>(1)</sup>



## CANADIAN E&P CAPEX AS A % OF CF (2024E) <sup>(2)</sup>



***Pine Cliffs single digit decline rate ranks as one of the lowest among Canadian public producers and most notably well below Canadian natural gas-weighted producers, which translates to less capex as a % of cash flow***

(1) Source: Peters & Co. Limited (January 2024); industry average = 27%; Blue = gas weighted (average 31%)

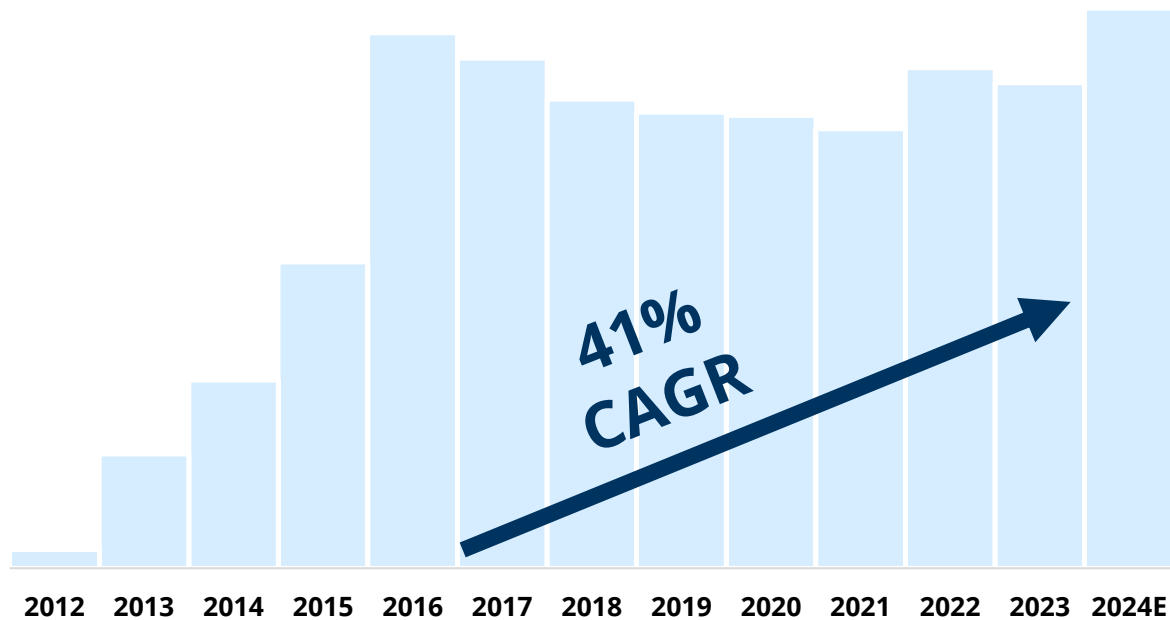
(2) Source: Factset consensus estimates as at January 26, 2024; Blue = natural gas weighted companies

# HISTORY OF GROWTH THROUGH ACCRETIVE ACQUISITIONS

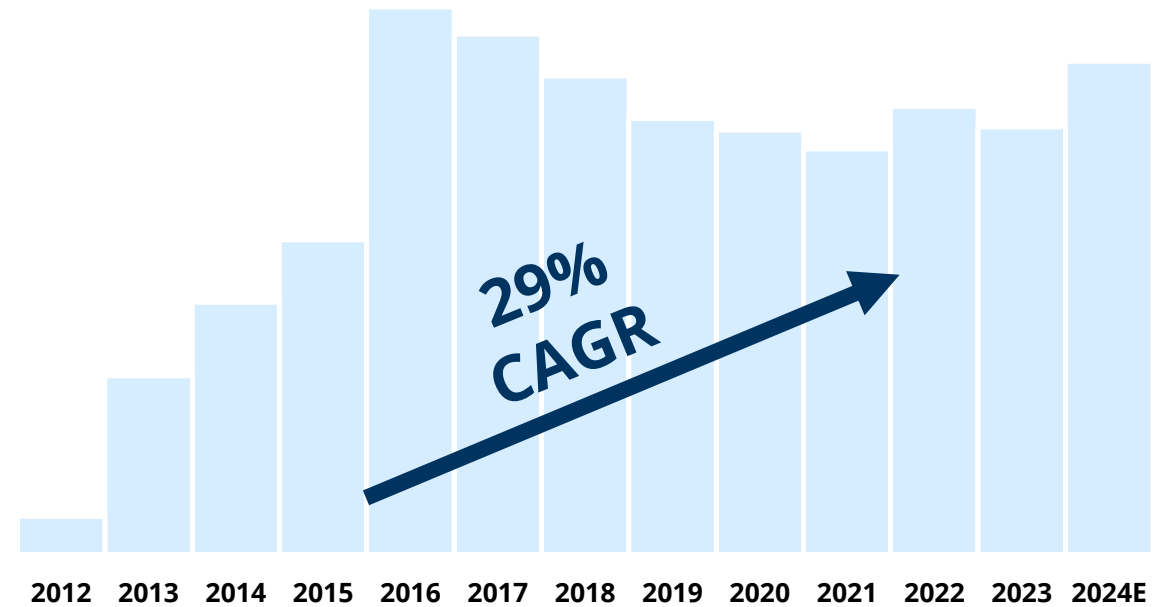


Since 2012, PNE has grown production at a CAGR of 41%. On a per share basis, production has grown at a CAGR of 29%. PNE's main source of growth has been through acquisitions (see appendix for acquisition history).

## PRODUCTION (MBOE/D)



## PRODUCTION PER THOUSAND SHARES



2024E based on the midpoint of the annual guidance range of 23,250 – 23,750 boe/d

# LONG-TERM BULLISH OUTLOOK FOR NATURAL GAS



## North American and Western Canada Natural Gas Demand Continues to Grow

- Since 2016, natural gas is the primary energy source (42%) in North America for power demand.
- Alberta uses more natural gas than any other Canadian province; its natural gas demand rose above 8.0 bcf/d in early 2024. Demand growth has largely been driven by oil sands production and power generation projects.<sup>(1)</sup>
- Alberta has phased out coal-powered electricity, and many other states and provinces are following suit.

## U.S. LNG Exports are at Record Levels With More Projects to Come

- The US continues to grow as a natural gas exporter as the combination of LNG exports and pipeline shipments to Mexico have exceeded 20 bcf/d on a combined basis last winter.<sup>(2)</sup>
- The LNG Canada project is due to come online in 2025, with the export terminal being 90% complete<sup>(3)</sup> and gathering infrastructure 100% complete<sup>(4)</sup>. There are discussions underway for a Phase II of the project, which would increase export capacity from 2 bcf/d to 4 bcf/d.

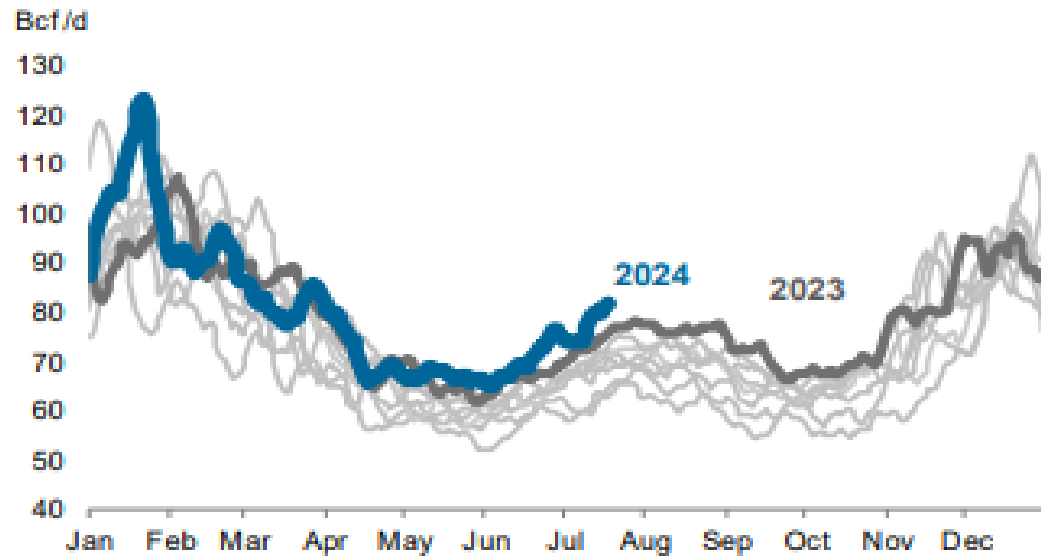
## Natural Gas is a Globally Traded Commodity... Can Supply Keep up?

- Asian LNG demand is projected to increase 5% in 2024 following 2% growth in 2023<sup>(5)</sup>; competition between Europe and Asia expected to drive increased consumption of North American gas in the LNG market.
- There is growing concern that the supply growth from US shale plays is slowing.

# NATURAL GAS OUTLOOK – ROBUST NORTH AMERICAN DEMAND

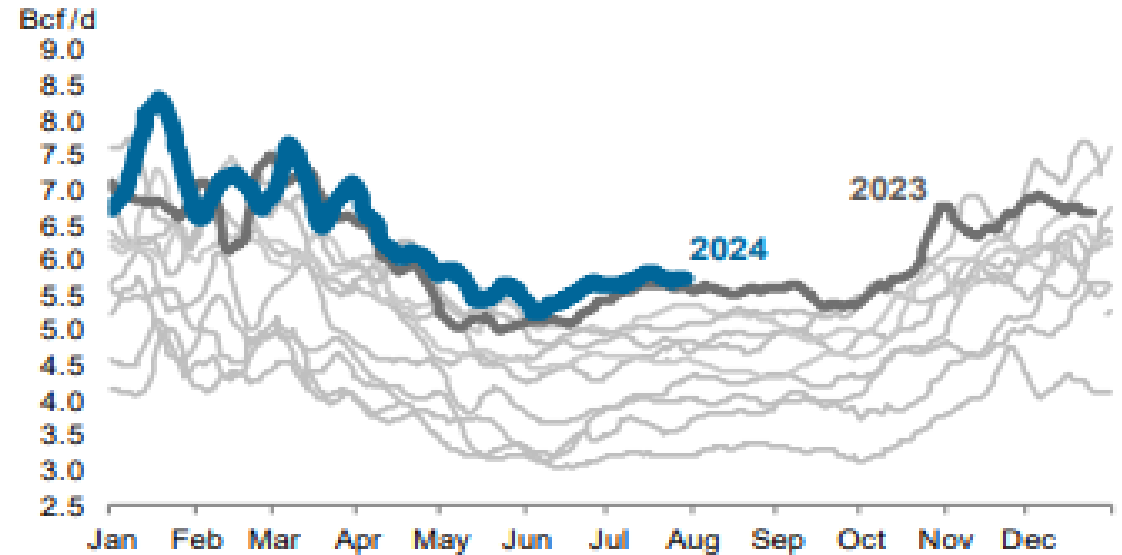


## U.S. Total Natural Gas Demand<sup>(1)</sup>



Following a record warm winter, US natural gas demand has recently peaked just above seasonal trends due to hot summer temperatures.

## Alberta Natural Gas Demand<sup>(2)</sup>

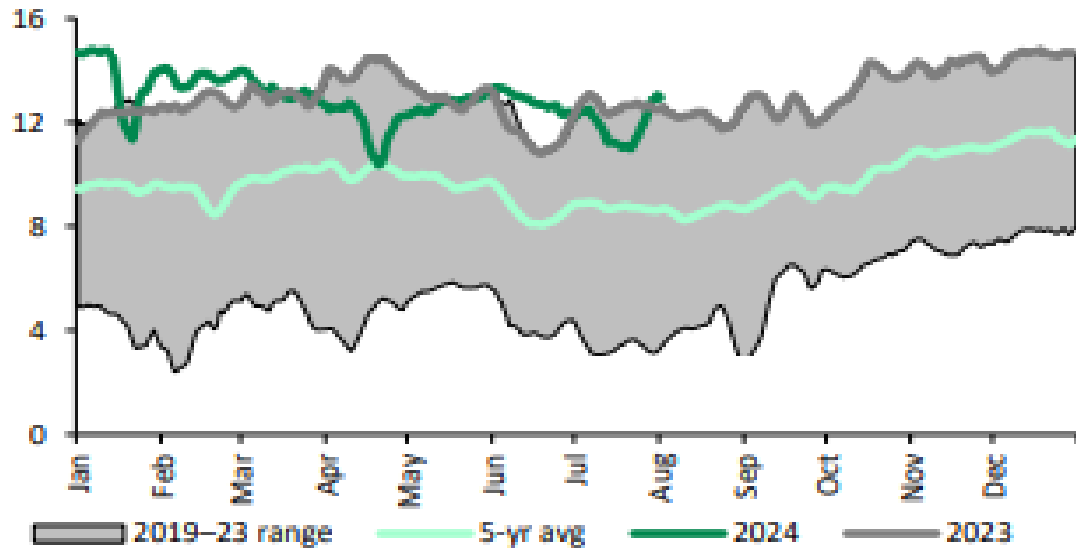


Alberta natural gas demand has grown steadily in recent years, largely driven by new oil sands demand and coal-to-gas power generation projects. Approximately half of Alberta's natural gas demand comes from the oil sands. Total Alberta demand reached all-time highs despite a record warm winter.

# NATURAL GAS OUTLOOK – EXPANDING LNG CAPACITY

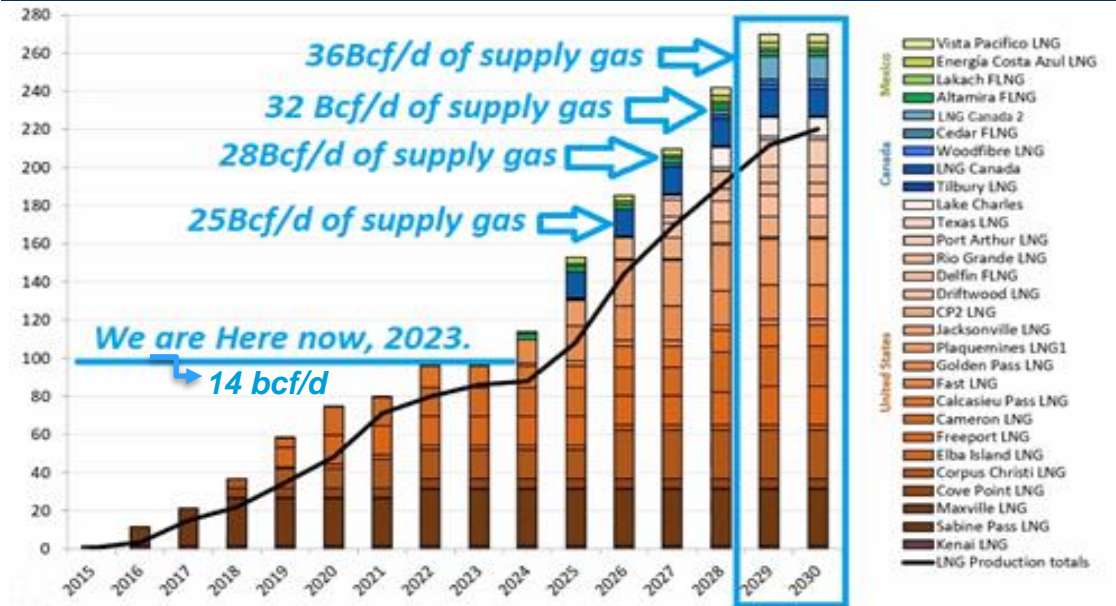


## U.S. LNG Exports (Bcf/d)<sup>(1)</sup>



Recent export facility outages temporarily impacted LNG exports through April and again in July (hurricanes), with recoveries pushing demand levels back toward all-time highs in early August.

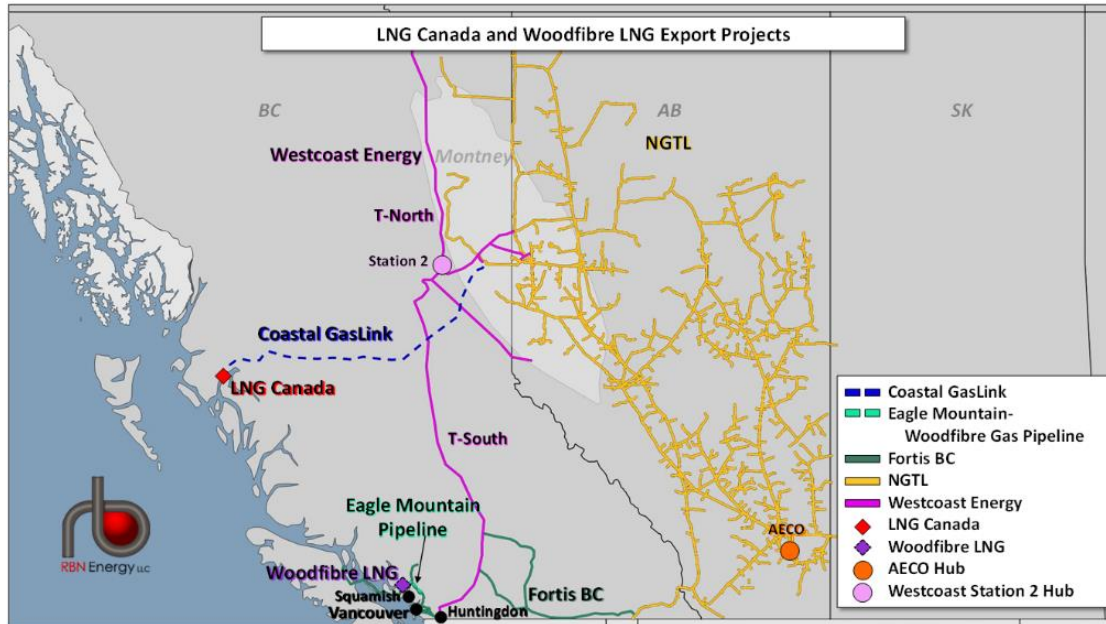
## North American LNG Projects Under Construction (Million Tons per Annum)<sup>(2)</sup>



Multiple trains at two new LNG export facilities (Golden Pass and Plaquemines) could add 2.7 bcf/d of nominal capacity and 3.2 bcf/d of peak capacity by the end of 2024<sup>(3)</sup>. North American export capacity is expected to reach 25 bcf/d by 2026. By the end of the decade, North America is anticipated to export 36 bcf/d, representing over 30% of the continent's current production.



## Canadian LNG Projects (1)



**LNG Canada** is a 2.0 bcf/d LNG export facility that represents one of the largest energy investments in Canadian history. It is a joint venture company comprised of five global energy companies– Shell, PETRONAS, PetroChina, Mitsubishi Corporation and KOGAS.

**Woodfibre LNG** is a 0.3 bcf/d liquefied natural gas (LNG) export facility with seven bcf of floating storage capacity being built near Squamish, BC. The project is jointly owned by Enbridge Inc. and Pacific Energy Corporation Ltd. It is expected to be online in 2027.

## LNG Shipping Time to Asia (2)



It takes *10 days* to ship LNG from Canada's West Coast to Asia, compared to *24 days* from the U.S. Gulf Coast. LNG Canada's GHG emissions profile is projected to be *32% lower* than the world's currently best-performing liquefaction plants<sup>(2)</sup>, and Woodfibre LNG plans to be the first LNG export facility in the world to achieve net zero emissions<sup>(3)</sup>.

# NATURAL GAS OUTLOOK – GROWING WESTERN CANADIAN DEMAND



## Canadian LNG Production Build-Up<sup>(1)</sup>

	Shell	Petronas	PetroChina	Mitsubishi	KOGAS	Total
<b>Phase 1 Requirements</b>						
LNG Canada (MMcfd) (1)	840	525	315	315	105	2,100
Other (MMcfd) (2)		635				
<b>Total Phase 1 (MMcfd)</b>	<b>840</b>	<b>1,160</b>	<b>315</b>	<b>315</b>	<b>105</b>	<b>2,735</b>
<b>Phase 1 + 2 Requirements</b>						
LNG Canada (MMcfd) (1)	1,680	1,050	630	630	210	4,200
Other (MMcfd) (2)		190				
<b>Total Phase 2 (MMcfd)</b>	<b>1,680</b>	<b>1,240</b>	<b>630</b>	<b>630</b>	<b>210</b>	<b>4,390</b>
<b>Current Production/Contracted (MMcfd) (3)</b>	<b>503</b>	<b>811</b>	<b>88</b>	<b>571</b>	<b>10</b>	<b>1,983</b>
<b>Phase 1 - Net Supply Long/(Short) (MMcfd)</b>	<b>(337)</b>	<b>(349)</b>	<b>(227)</b>	<b>256</b>	<b>(95)</b>	<b>(752)</b>
<b>Phase 1 + 2 - Net Supply Long/(Short) (MMcfd)</b>	<b>(1,177)</b>	<b>(429)</b>	<b>(542)</b>	<b>(59)</b>	<b>(200)</b>	<b>(2,407)</b>
<b>Other Details</b>						
LNG Canada WI (%)	40%	25%	15%	15%	5%	
Production Source	Groundbirch JV (80% WI)	North Montney JV (Petronas 72% WI but assume all JV volumes (150 MMcfd) for commitment)	Groundbirch JV (20% WI)	Cutbank JV (40% WI)	Horn River (50% WI)	

Source: Company reports, CER, geoSCOUT, and Peters & Co. Limited estimates.

Notes: (1) LNG Canada commitments incorporate feedgas consumption, (2) Petronas has a 700 MMcfd commitment on North Montney mainline (NGTL) of which 65 MMcfd will be utilized for LNG Canada Phase 1 and 510 MMcfd will be utilized for LNG Canada Phase 2, (3) Current production at March 2024 and reflective of recombined natural gas rates assuming 10% shrinkage. Only includes B.C. production volumes.

The LNG Canada partner group will need to grow supply by ~ 0.8 bcf/d to meet Phase 1 feedgas requirements, which could result in additional demand pressure if a portion comes from the grid or additional supply contracts

## WCSB Natural Gas Demand Projects<sup>(2)</sup>

Figure 16: WCSB Natural Gas Demand Projects

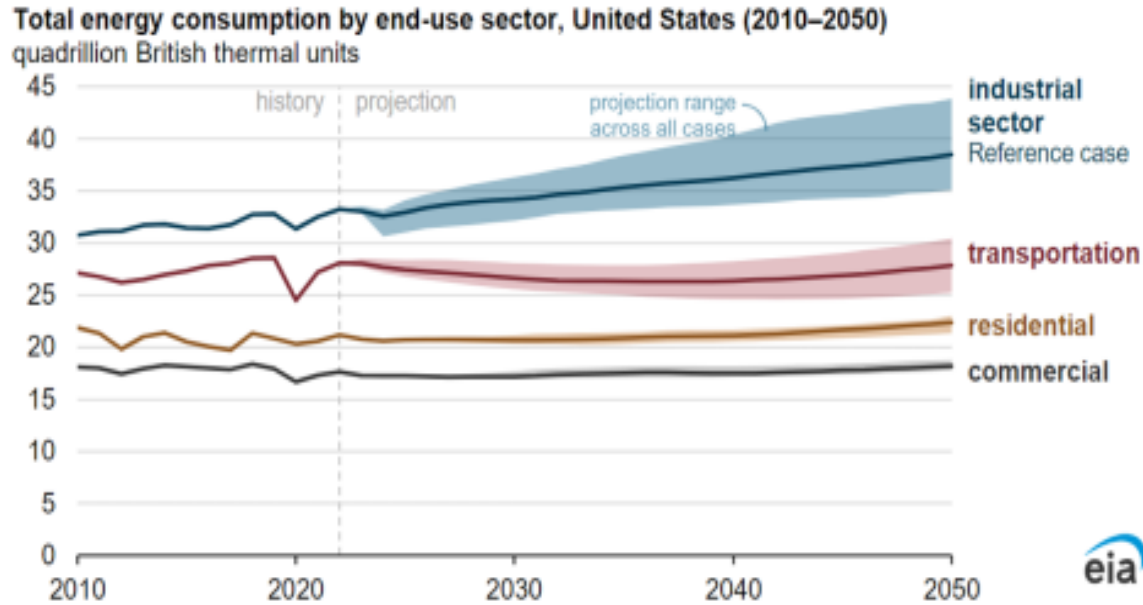
Project	Province	Type	Power Gen. (MW)	Gas Demand (MMcfd)
<b>2024</b>				
CPX Genesee 1	AB	Coal Conversion	430	65
CPX Genesee 2	AB	Coal Conversion	430	65
Kineticor Cascade Power	AB	New Power	900	145
SU Base Plant Cogeneration	AB	Cogen	800	120
CNRL Primrose East Gas	AB	New Power	32	5
Great Plains Power Station	SK	New Power	377	60
<b>2025</b>				
Signalta Gas-Fired Power Plant	AB	New Power	21	3
Transalta Pinnacle 1 & 2	AB	New power	44	6
Pembina Kaybob South 3 Cogen	AB	Cogen	33	5
Yellowhead Power Station Expansion	SK	Expansion	46	7
Ermine Power Station Expansion	SK	Expansion	46	7
<b>2026</b>				
Kiwetinohk Opal (1)	AB	New Power	101	n/a
<b>2027</b>				
Saskpower Aspen Power Station	SK	New Power	370	60
<b>2028</b>				
Kineticor Greenlight Electricity	AB	New Power	1,400	225
<b>Total Additions</b>			<b>5,030</b>	<b>773</b>

Source: Company reports, AESO, and Peters & Co. Limited estimates. (1) Designed for intermittent operation.

Natural gas demand is expected to grow at a 2% CAGR over the next five years primarily due to gas-fired power additions.



## Consumption Expected to Steadily Increase



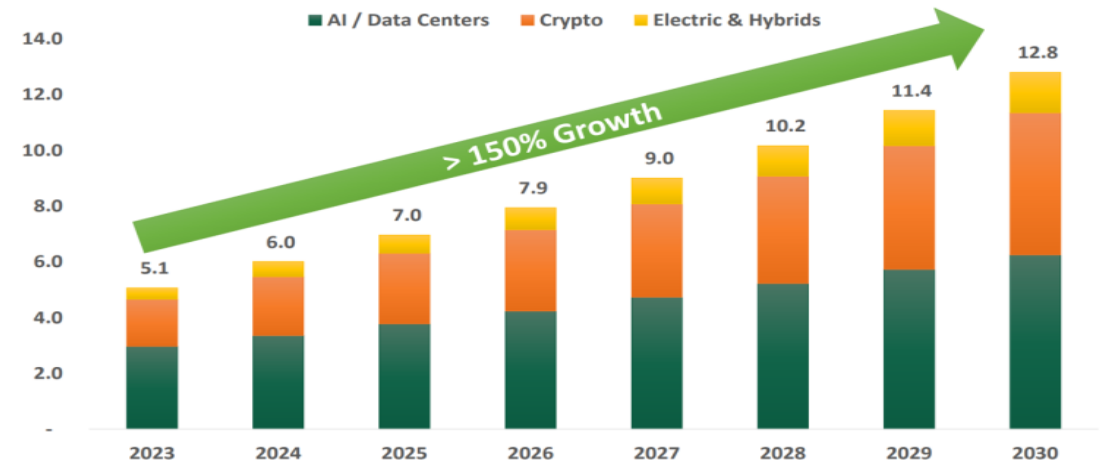
The EIA sees total energy consumption increasing at a steady rate across multiple end-users through 2050, with the largest increases expected in the industrial and transportation sector. Specifically, Technological advancements and cryptocurrency mining are key drivers.

## Bullish on Energy Demand

### Natural Gas Power Generation Demand Growth

Natural gas power generation demand is expected to grow 14% per year through 2030 as a result of increasing power load growth from AI / Data Centers, Crypto and EVs

**Natural Gas Power Demand**  
(Bcf/d)



*Antero Resources (NYSE: AR)* Source: 3<sup>rd</sup> party research, April 2024.

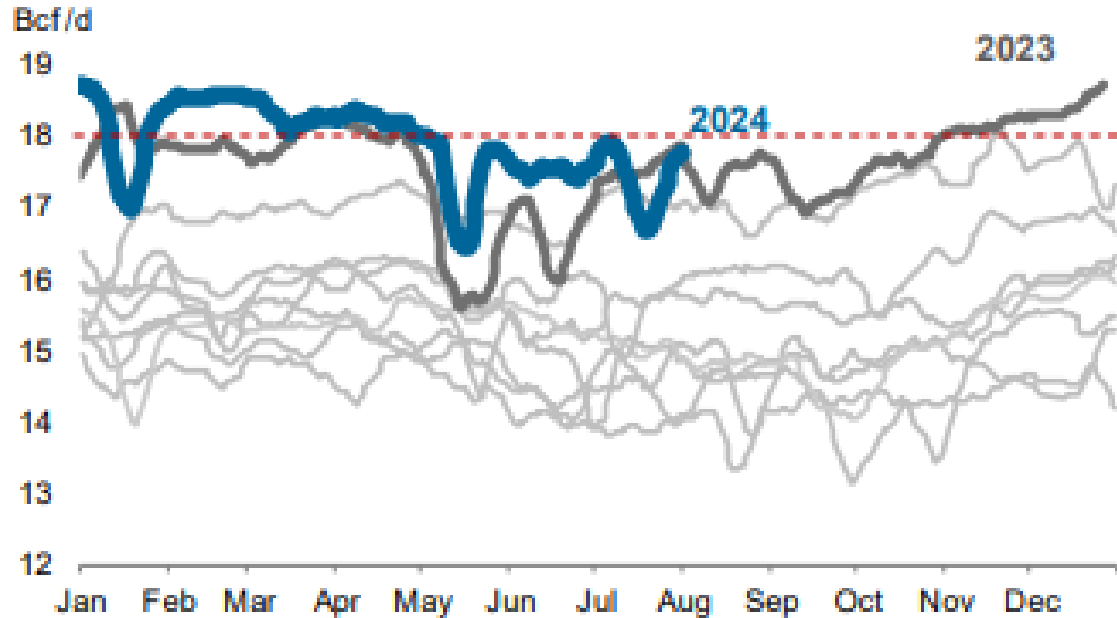
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Rising demand from the expansion of artificial intelligence-focused data centers, crypto and electric hybrid vehicles are increasingly seen as supporting an extended period of power-gen development from all sources, including natural gas.

# NATURAL GAS OUTLOOK – SUPPLY GROWTH SLOWING

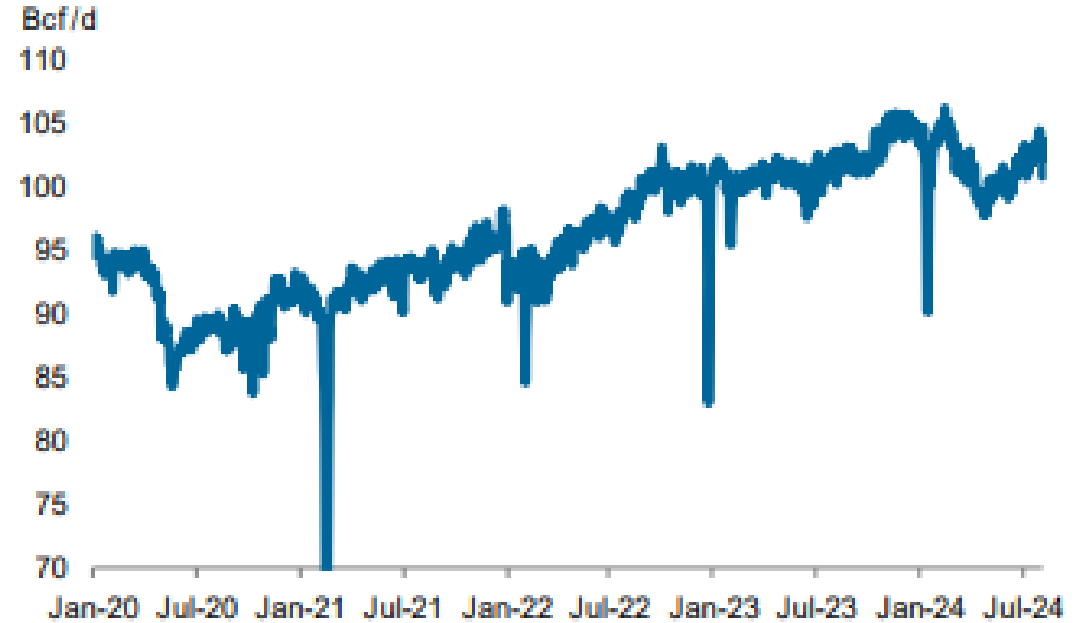


## Western Canada Natural Gas Supply<sup>(1)</sup>



Alberta production has plateaued in advance of the commissioning of LNG Canada Phase I, with hot weather and maintenance outages contributing to lower volumes in July.

## U.S. Natural Gas Supply 7-Day Average<sup>(2)</sup>

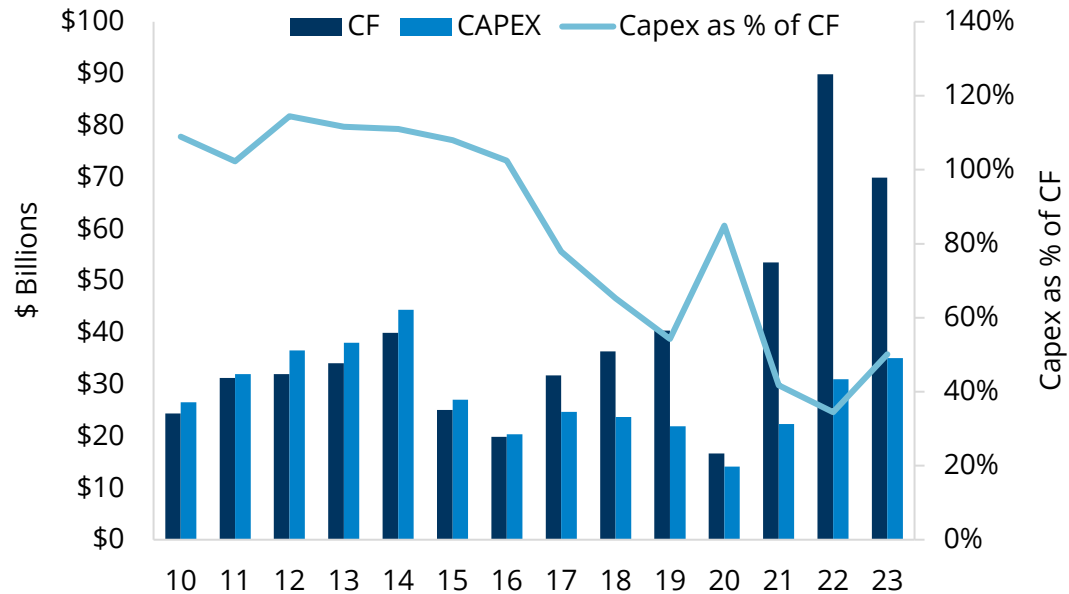


U.S. natural gas production is holding around 100 bcf/d. NYMEX pricing, egress issues and deteriorating drilling inventory quality has started to create potential headwinds for U.S. natural gas supply.

# NATURAL GAS OUTLOOK – CAPITAL ALLOCATION PRIORITIES SHIFTING

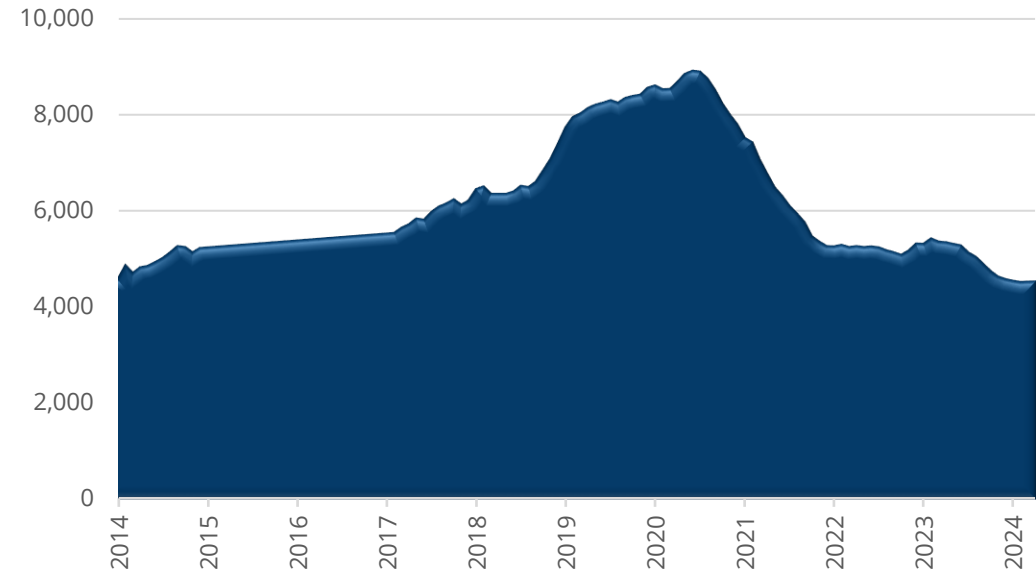


## Canadian E&P Capex vs. Cash Flows<sup>(1)</sup>



Capex as a percentage of cash flow has decreased significantly in the sector as more companies have chosen to return capital to shareholders rather than increasing capex for growth purposes.

## U.S. Drilled but Uncompleted Wells (DUCs)<sup>(2)</sup>

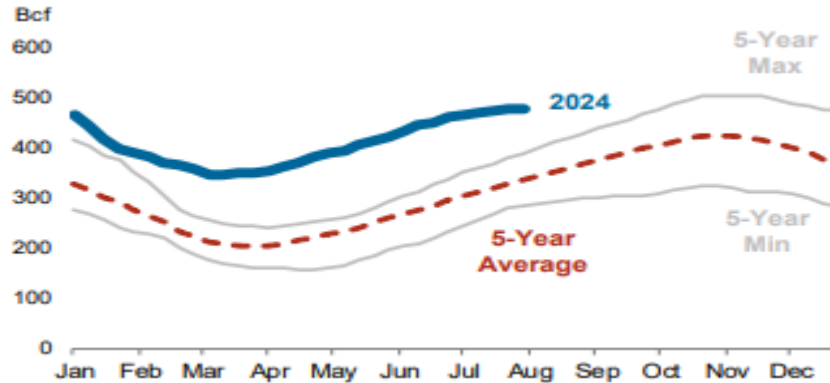


As growth capital has been cut across the sector, producers have relied on DUCs to bring on supply. DUCs are seen as “low hanging fruit” but have been drawn down to an eight-year low. More capital will be required to increase supply once DUCs run out.

# NATURAL GAS OUTLOOK – POTENTIAL FOR STORAGE VOLATILITY

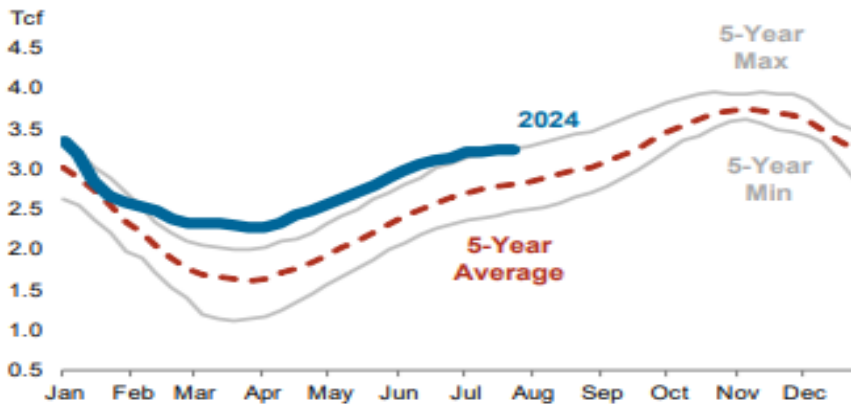


## Western Canadian Gas Storage <sup>(1)</sup>



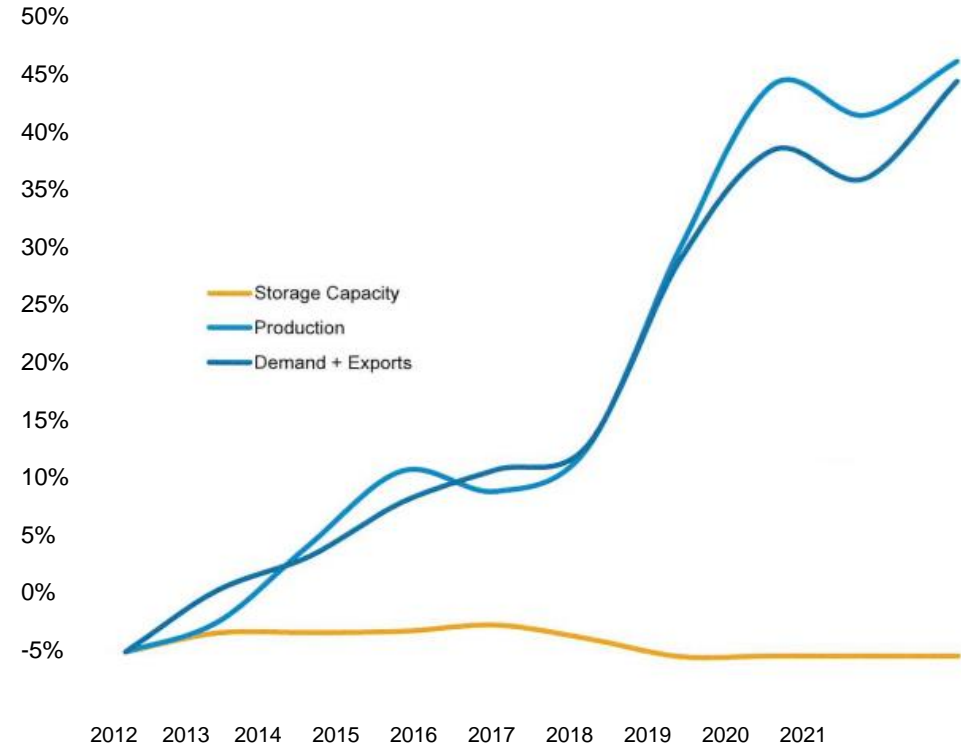
Due to mild winter temperatures and higher production, Western Cdn storage levels continue to trend above the five-year range.

## U.S. Natural Gas Storage (Tcf)<sup>(2)</sup>



Storage levels are now moving back in line with the five-year average US due reduced production and recently hot weather.

## Change In Supply, Demand, & Storage Capacity<sup>(3)</sup>



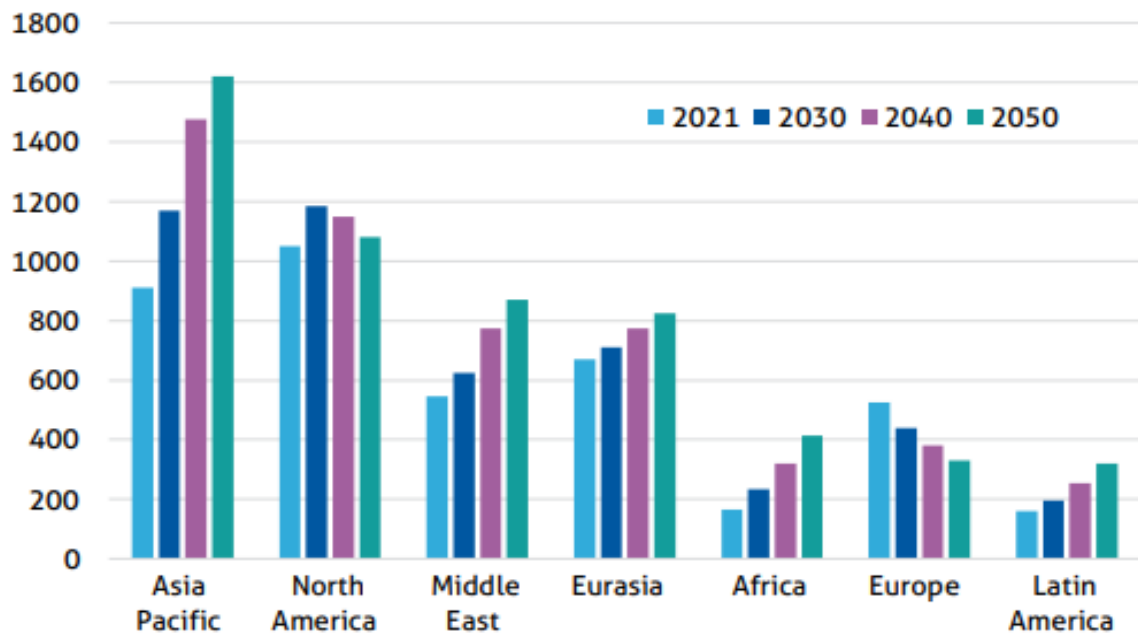
The growth in the size of the supply and demand market has far outstripped any expansion of storage capacity. This has led to more severe movements in storage levels during times of supply and demand imbalances.

Sources: (1) (2) ARC Energy Institute (August 2024), (3) Macquarie (June 2023)



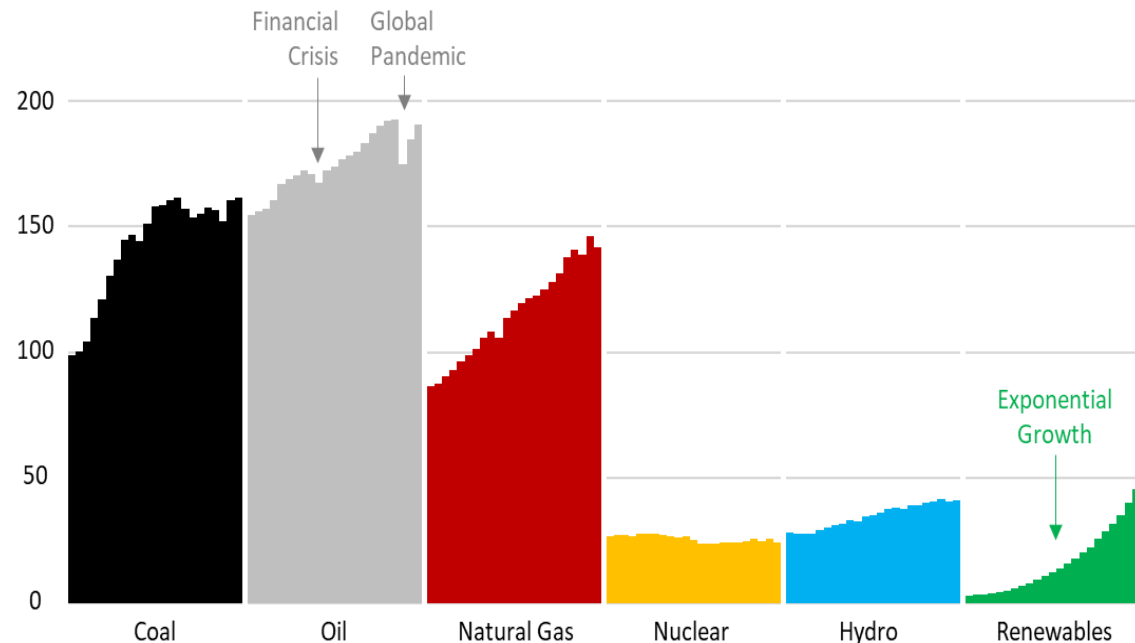
# NATURAL GAS OUTLOOK – GLOBAL DEMAND IS GROWING

## Global Natural Gas Demand (Billion Cubic Meters)<sup>(1)</sup>



Natural gas consumption is forecasted to materially increase in almost every region of the world over the next 30 years.

## Global Consumption by Energy Source (2000-2022) (EJ)<sup>(2)</sup>

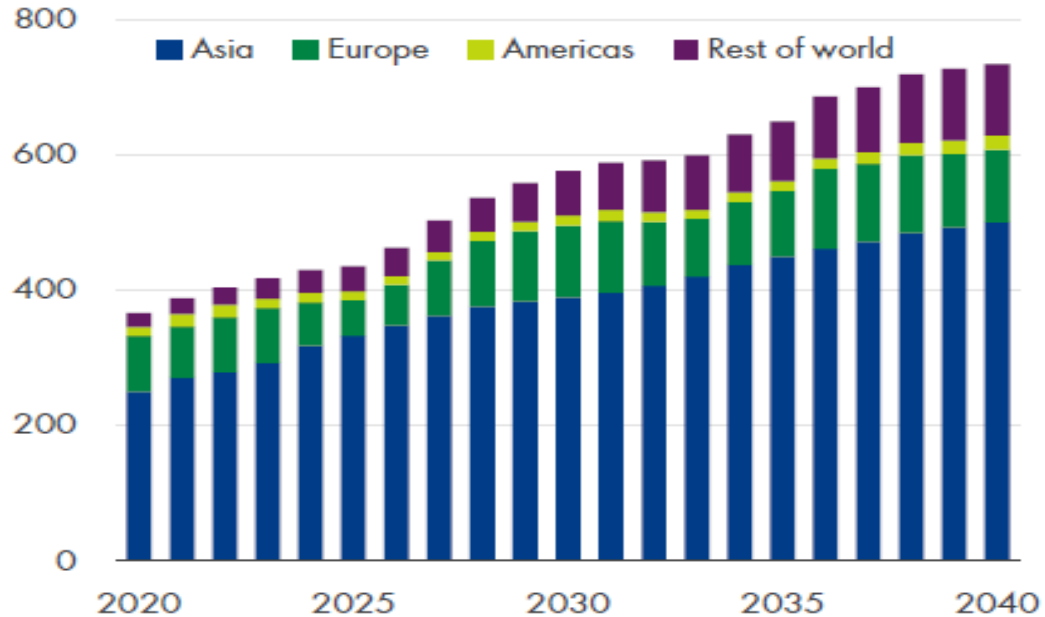


Renewables have had impressive growth in the past ten years, but hydrocarbons continue to make up over 80% of the world energy consumption. Of the hydrocarbons, natural gas has had the steepest growth rate.

# NATURAL GAS OUTLOOK – WILL GLOBAL SUPPLY MEET LNG DEMAND?

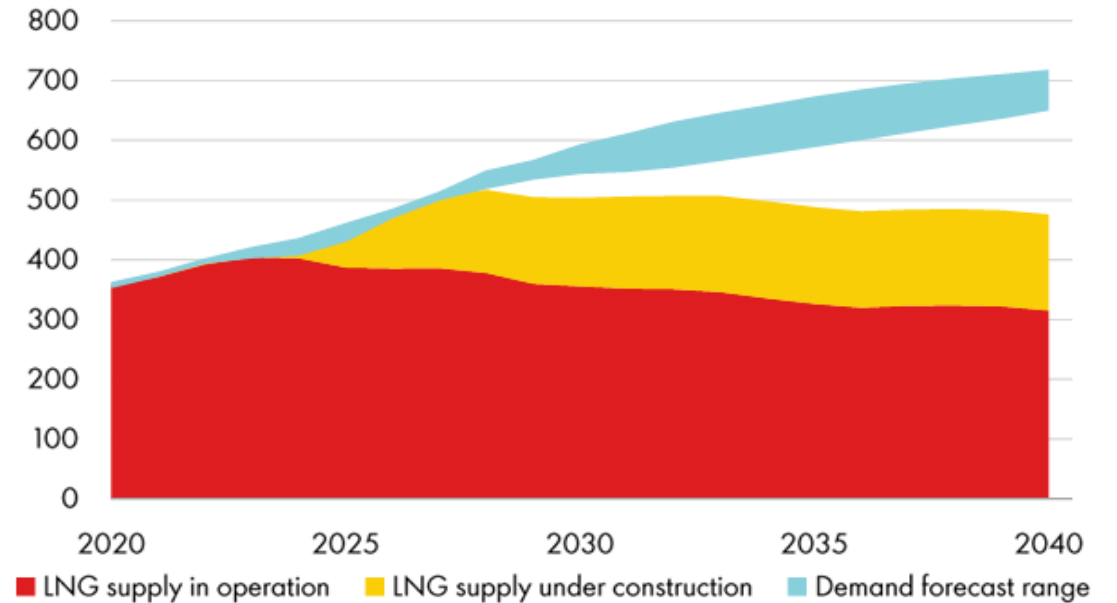


## Global LNG Demand (Billion Cubic Meters)<sup>(1)</sup>

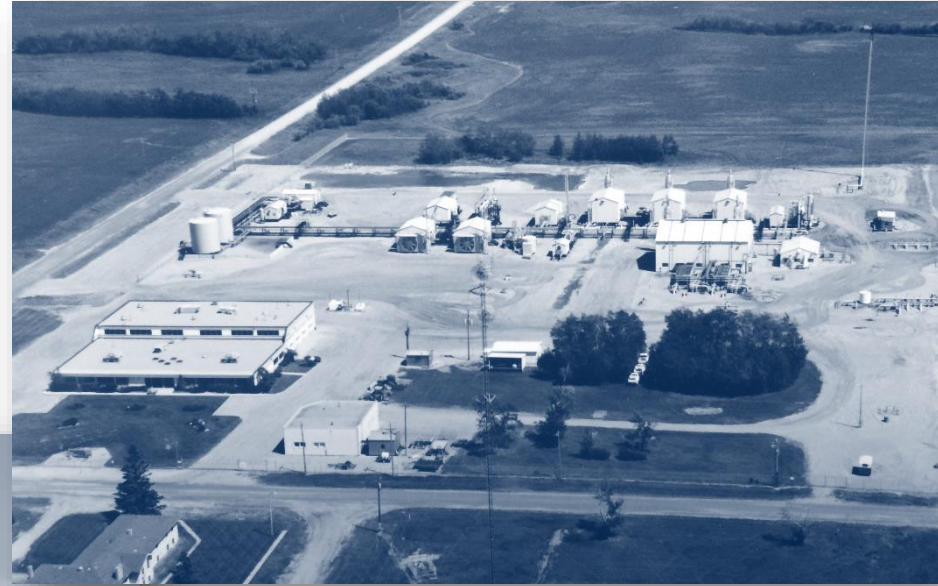


Demand for LNG continues to climb, particularly in Asia, with over 43 countries now importing LNG, from only 23 ten years ago.

## LNG Supply-Demand Gap (Billion Cubic Meters)<sup>(2)</sup>



Forecasted demand for LNG is creating opportunity for Canada and U.S. LNG projects as a supply deficiency is projected to start in 2027.



# 4Q23 PRIVATECO ACQUISITION RESULTED IN SOLID RESERVE GROWTH



## Reconciliation of Gross Reserves by Principal Product Type, as of December 31, 2023

Reserve Reconciliation Company Gross <sup>1</sup>	Oil <sup>2</sup>	Natural Gas Liquids	Natural Gas <sup>3</sup>	Oil Equivalent
	MBbl	MBbl	MMcf	MBoe
<b>Total Proved</b>				
<b>December 31, 2022</b>	3,099.3	3,663.1	270,514.8	51,848.3
Extension	91.6	23.2	751.1	240.0
Technical Revisions	(23.9)	193.1	(5,933.4)	(819.8)
Acquisitions	2,439.6	7,987.3	53,881.2	19,407.1
Economic Factors	3.3	(195.6)	(5,680.5)	(1,139.1)
Production	(458.0)	(544.8)	(39,229.4)	(7,541.0)
<b>December 31, 2023</b>	<b>5,152.0</b>	<b>11,126.2</b>	<b>274,303.8</b>	<b>61,995.5</b>
<b>Total Proved plus Probable</b>				
<b>December 31, 2022</b>	4,882.9	4,834.2	347,587.80	67,648.4
Extension	374.6	91.3	3,035.40	971.8
Technical Revisions	(61.9)	211.4	(8,783.80)	(1,314.4)
Acquisitions	3,387.8	13,461.3	87,872.50	31,494.5
Economic Factors	9.3	(251.1)	(11,164.10)	(2,102.5)
Production	(458.0)	(544.8)	(39,229.40)	(7,541.0)
<b>December 31, 2023</b>	<b>8,134.7</b>	<b>17,802.3</b>	<b>379,318.3</b>	<b>89,156.7</b>

<sup>1</sup> Amounts may not add due to rounding.

<sup>2</sup> Oil includes Light and Medium and Heavy Oil. Light and Medium oil represents 100 per cent of Total Proved and Proved plus Probable reserves.

<sup>3</sup> Natural gas includes Conventional Natural Gas and Coal Bed Methane. Conventional Natural Gas represents 90 per cent Total Proved and Proved plus Probable reserves.

(1) Based on the midpoint of revised 2024 guidance of 23,250 – 23,750 boe/d

- 2P reserve growth of 32% (30% per share) and production replacement of 338%<sup>(1)</sup> driven by significant adds from privateco acquisition
- Minor negative revisions primarily relate to lower near-term natural gas prices and slightly higher operating costs
- Increased product diversification with liquids accounting for 29% of 2P reserves, an increase from 14% end of 2022
- 2P NAV (BTAX @ 10%) of \$476.98m represents a 16% increase from the prior year despite weaker near-term gas prices
- Undeveloped potential still conservatively booked – year-count of 64.3 net locations represents significant inventory in the context of low annual decline rate



## Natural Gas – Fixed and Premium Contracts

Term	Delivery Point	Volume (GJ/d)	Fixed Sale Price (\$C/Mcf)
July 1, 2024 to October 31, 2024	AECO	15,500	\$2.54
July 1, 2024 to October 31, 2024	Dawn	5,000	\$2.89
July 1, 2024 to December 31, 2024	AECO	10,059	\$3.71
July 1, 2024 to March 31, 2025	AECO	5,000	\$2.93
July 1, 2024 to October 31, 2025	AECO	15,000	\$2.67
July 1, 2024 to December 31, 2025	AECO	5,000	\$2.99
August 1, 2024 to March 31, 2025	AECO	5,000	\$2.00
January 1, 2025 to December 31, 2025	AECO	9,037	\$3.75
January 1, 2026 to February 28, 2026	AECO	8,311	\$3.76
July 1, 2024 to October 31, 2024	TransGas	13,000	AECO 5A + \$0.48

## Crude Oil – Fixed Contracts

Term	Contract Type	Volume (bbl/d)	Price (\$/bbl)
July 1, 2024 to December 31, 2024	WTI Fixed Price	522	US\$72.05
July 1, 2024 to December 31, 2024	WTI Fixed Price	250	C\$107.00
January 1, 2025 to December 31, 2025	WTI Fixed Price	472	US\$68.91
January 1, 2026 to February 28, 2026	WTI Fixed Price	435	US\$66.60
July 1, 2024 to September 30, 2024	WTI Fixed Price	5,000 bbls per month	US\$81.25/bbl



## CORPORATE POLICIES

- All employees, head office consultants and field contract operators are required to review and sign off on Pine Cliff's Code of Business Conduct and Ethics Policy, Disclosure and Trading Policy, Information Security Policy, IT Acceptable Use Policy and Whistleblower Policy annually.

## HIGH INSIDER OWNERSHIP

- Pine Cliff's Board of Directors, management, and AIMCo collectively hold 14% of the outstanding shares and are invested in the long-term success and sustainability of the company and its reputation.

## WHISTLEBLOWER POLICY

- Pine Cliff has an anonymous Whistleblower policy that allows the disclosure of potential breaches of any of our corporate policies or any other concern related to the conduct of our business.
- All Whistleblower complaints are reviewed by the Audit Committee and the Board of Directors.

## INVOLVEMENT IN CHANGING REGULATORY FRAMEWORK

- Corporate representation on Explorers and Producers Association of Canada Board of Governors.
- Working in industry task forces and work groups on the review and development of new policy framework.

## ACTIVELY INVOLVED IN THE COMMUNITY WE LIVE IN

- We support our employees and consultants to actively participate in coaching, mentoring and supporting schools, sports and other extracurricular activities.
- Pine Cliff continues to support multiple charities in all areas that it conducts operations in.

## INDEPENDENT BOARD COMMITTEES

- Experienced and 100% independent Audit Committee; Governance, Nomination and Compensation Committee, and Reserves Committee.



## OVERVIEW

- ✓ Pine Cliff was an early leader in 2018 with the reduction of methane emissions by retrofitting high methane bleed instrumentation equipment to low bleed or no bleed alternatives. Since 2018 we have successfully eliminated over 200,000 CO<sub>2</sub>e of methane emissions, equivalent of removing over 40,000 vehicles off the road.
- ✓ Since 2021, Pine Cliff abandoned 1,000 gross wellbores while receiving 111 reclamation certificates.
- ✓ Over 92% of Pine Cliff's wellbores are active and producing assets, which is one of the highest percentages in the industry.
- ✓ In 2022 Pine Cliff implemented new emissions management software to provide better data to help identify the most impactful emission reduction opportunities.
- ✓ Pine Cliff has one of the lowest decline rates in the industry and conducts minimal drilling, fracking, freshwater use and flaring activities compared to other oil and gas industry producers to maintain production.



<b>Company</b>	<b>Analyst</b>
Canaccord Genuity	Mike Mueller
Desjardins Capital Markets	Chris MacCulloch
Haywood Securities Inc.	Christopher Jones
Paradigm Capital	TBD
Peters & Co.	Conrad Bereznicki
Schacter Energy Research Services	Josef Schachter



## BOARD OF DIRECTORS



### **William S. Rice, K.C. (Chairman of the Board)**

Mr. Rice joined the Board of Directors of Pine Cliff in May 2016 and became Chairman of the Board in May 2023. Mr. Rice was Chair and Chief Executive Officer of the Alberta Securities Commission from 2005 to 2015 and Chair of the Canadian Securities Administrators from 2011 to 2015. From 2000 to 2005, Mr. Rice was National Managing Partner of the Bennett Jones LLP law firm. Prior to taking his position with the Alberta Securities Commission, Mr. Rice served as a chair or member several corporate boards of directors.



### **Hilary A. Foulkes**

Ms. Foulkes joined the Board of Director of Pine Cliff in August, 2023. Ms. Foulkes has over 35 years' experience in oil and gas operations and as an investment banking executive. Ms. Foulkes was previously Executive Vice-President and Chief Operating Officer for a public oil and gas company, responsible for portfolio management, operational strategy, and performance. In addition, Ms. Foulkes has considerable capital markets experience having worked as a Managing Director of a full-service investment bank. Ms. Foulkes has served as an independent director on both private and public oil and gas company boards and is currently Board Chair of Enerplus Corporation (TSX; NYSE). Ms. Foulkes is a member of both the Institute of Corporate Directors ("ICD") and the National Association of Corporate Directors ("NACD") and is a lifetime member of the Association of Professional Engineers and Geoscientists of Alberta ("APEGA") and the Canadian Energy Geoscience Association ("CEGA"). Ms. Foulkes has a Bachelor of Science, Earth Science Major Degree, from the University of Waterloo.



### **Robert B. Fryk**

Mr. Fryk joined the Board of Director of Pine Cliff in May 2021 and is Chair of the Reserves Committee. He previously held the position of President and Chief Executive Officer of Gain Energy Ltd. from April 2017 until March 2021. Prior to that, he was Chief Operating Officer at Gain and Executive Vice-President and Chief Operating Officer at Velvet Energy Ltd. from 2011 to 2015. Mr. Fryk has over 37 years of experience in management, business development and operations, including oil and gas reservoir exploitation, drilling, completions, marketing and asset and corporate economic evaluations for acquisitions and divestments. Mr. Fryk has a Bachelor of Science – Chemical Engineering Degree from the University of Calgary and is a member of the Association of Petroleum Engineers and Geoscientists of Alberta.



## BOARD OF DIRECTORS

### Philip B. Hodge



Mr. Hodge joined Pine Cliff in January 2012 as President, Chief Executive Officer and Director and its first employee. Mr. Hodge also sits on the Board of Governors of EPAC and on the Board of Directors of Westport Fuel Systems. Prior to Pine Cliff, Mr. Hodge held the position of Vice President, Business Development at Penn West Exploration, at the time, one of the largest conventional oil and natural gas producers in North America. Prior to that, Mr. Hodge was a Managing Director at Mackie Research Capital Corporation and J.F. Mackie & Co., Calgary based investment banks, Vice President, General Counsel and Director of Westport Innovations Inc., President of Westport's China Division and a partner at Bennett Jones LLP, a Canadian national law firm, practicing in that firm's securities and mergers and acquisitions teams in its Calgary office

### Calvin B. Jacober



Mr. Jacober joined the Board of Directors of Pine Cliff in August 2022 and is Chair of the Audit Committee. Mr. Jacober was most recently the Vice Chair Canada for PricewaterhouseCoopers LLP ("PwC") until his retirement in June 2022. Prior thereto, he was both the Managing Partner and the Assurance Leader for PwC's Calgary office. Mr. Jacober has provided both US and Canadian GAAP expertise to Canadian public Audit Committees and Boards for over 30 years, including on public offerings and market transactions. Mr. Jacober has significant boardroom experience reporting to Audit Committees on audit strategy and risks, internal controls and other complex accounting issues. Mr. Jacober has a Bachelor of Business from the University of Alberta and is a Chartered Professional Accountant.

### Jacqueline R. Ricci



Ms. Ricci joined the Board of Directors of Pine Cliff in May 2020 and is Chair of the Governance, Nomination and Compensation Committee. Ms. Ricci has been a Vice President and Director at J. Zechner Associates, Toronto, Ontario, since 1997, where she is responsible for stock selection and portfolio mix in J. Zechner's Canadian Small/Mid-Capitalization Portfolios. In this position, Ms. Ricci has significant experience evaluating business plans and management performance in small and mid-capitalization companies in the Canadian market.



## PINE CLIFF MANAGEMENT TEAM

### **Philip B. Hodge - President & CEO**

(See experience in board of directors' section)

### **Terry L. McNeill – Chief Operating Officer**

Mr. McNeill joined Pine Cliff as Vice President Operations in April 2014 and was appointed Chief Operating Officer in January 2015. Mr. McNeill has over 20 years of industry experience and held the same position at Berkana Energy Corp. from September 2006 until January 2008 and Quatro Resources Ltd. from January 2008 until the sale of the company in November 2012. Mr. McNeill possesses a broad range of experience on all aspects of operations including production, construction, completions and drilling. Mr. McNeill holds a Bachelor of Science degree in Chemical Engineering from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta.

### **Kristopher B. Zack – Chief Financial Officer and Corporate Secretary**

Mr. Zack joined Pine Cliff in September 2023 as Vice President, Finance. Mr. Zack has 20 years of experience in the capital markets, most recently as Managing Director, Capital Markets in the investment banking group at Desjardins Securities. During his time in the capital markets, Mr. Zack was also a Brendan Wood ranked research analyst with coverage focused on mid and large-cap energy companies at both Desjardins and Raymond James. Mr. Zack holds a Bachelor of Commerce degree from the University of Alberta, is a member of the Chartered Professional Accountants of Alberta and is a Chartered Financial Analyst charterholder.

### **Daniel C. Keenan – Vice President Exploitation**

Dan Keenan joined Pine Cliff as Senior Exploitation Engineer in November 2015 and was promoted to Manager of Exploitation in January 2021. Mr. Keenan has over 20 years of industry experience including in exploitation, reserves, production, drilling, completions, and facilities engineering. Prior to joining Pine Cliff, he held various roles at Pengrowth, NAL Corp. and ConocoPhillips Canada. Mr. Keenan holds a Bachelor of Mechanical Engineering from the University of Victoria and is a member of the Association of Professional Engineers and Geoscientists of Alberta.

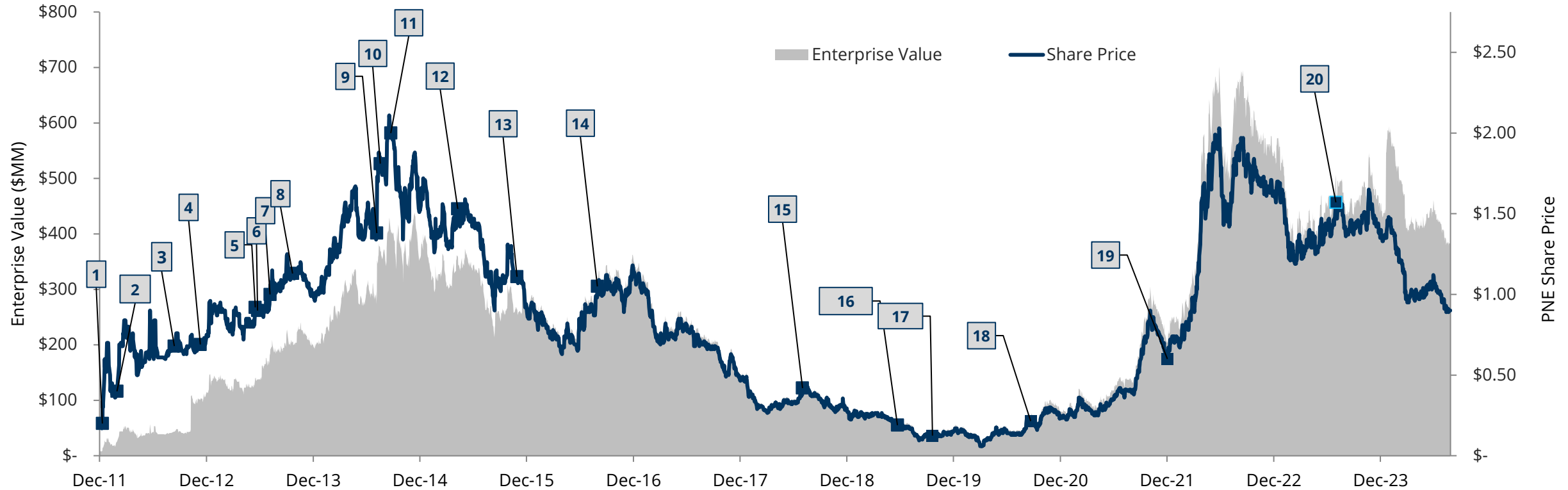
### **Austin W. Nieuwdorp – Vice President Finance and Controller**

Austin Nieuwdorp originally joined Pine Cliff in May 2015 and later returned to the company in June 2022 after term as Finance Manager at Eavor Technologies Inc. Mr. Nieuwdorp has 10 years of experience in various accounting and financial reporting capacities, most recently Corporate Controller at Pine Cliff Energy. Mr. Nieuwdorp holds a Bachelor of Management and Organizational Studies from the University of Western Ontario in 2010, and attained his Chartered Accountant designation in 2014 while articling at BDO Canada LLP from 2010 - 2015.

# ACTIVE 11 YEARS OF ACQUISITIONS



## TRANSACTION RECORD SINCE JANUARY 2012



- |   |  |  |  |
|---|--|--|--|
| <ol style="list-style-type: none"> <li>1. Dec 21/11 - Phil Hodge appointed President and CEO, George Fink appointed Chairman and announced \$2.9mm rights offering and private placement</li> <li>2. Feb 10/12 - announced \$23.5mm Carrot Creek/Edson acquisition</li> <li>3. Oct 23/12- announced acquisition of Geomark Exploration Ltd.</li> <li>4. Nov 20/12 - announced purchase of debt and security of Scope Energy and \$5.4mm private placement at \$0.70/share</li> <li>5. May 27/13 - announced \$34mm acquisition of additional 52% working interest in the Monogram Unit</li> </ol> | <ol style="list-style-type: none"> <li>6. June 4/13 - announced \$25mm common share offering at \$0.88/share</li> <li>7. July 17/13 - announced \$13.3mm acquisition of additional Southern Alberta assets and operatorship</li> <li>8. Oct 2/13 - announced \$20.0mm common share offering at \$1.10/sh</li> <li>9. July 17/14 - announced \$100mm Southern Alberta/Saskatchewan asset acquisition</li> <li>10. July 29/14 - announced \$33.3mm Carrot Creek/Edson asset acquisition</li> </ol> | <ol style="list-style-type: none"> <li>11. Sept 2/14 - announced \$60.1mm equity offering at \$2.05/sh</li> <li>12. April 20/15 - announced \$14.1mm acquisition of additional assets in Edson</li> <li>13. Nov 9/15 - announced \$185mm acquisition of new core area in Central AB and \$72mm common share offering at \$1.08/sh</li> <li>14. Oct 10/16 - issued \$30mm promissory note and \$11mm in promissory notes to insiders (July 29/16)</li> <li>15. July 13/18 - issued \$19mm promissory note and 2.85mm share purchase warrants at \$0.51/sh to AIMCo expiring on July 13/21 and \$1mm increase in promissory notes to insiders</li> </ol> | <ol style="list-style-type: none"> <li>16. May 31/19- completed \$8.6mm asset acquisition in Central AB, \$4mm flow-through common shares at \$0.276/sh and \$1.4mm common share offering at \$0.23/sh</li> <li>17. Oct 1/19 -extended \$30mm of AIMCo debt to Dec 31/24, issued 7.5mm share purchase warrants at \$0.21/sh to AIMCo, and extended \$12mm insider debt to Dec 31/24</li> <li>18. Sept 1/20 - AIMCo exercised its rights with share purchase warrants and purchased 7.5mm common shares</li> <li>19. Dec 29/21 - announced \$22.2mm acquisition of privateco in Ghost Pine area.</li> <li>20. Oct 31/23 - announced \$100mm acquisition of privateco in the Caroline area.</li> </ol> |
|---|--|--|--|



## BOARD OF DIRECTORS

William S. Rice (Chairman)  
Hilary A. Foulkes  
Robert B. Fryk  
Philip B. Hodge  
Calvin B. Jacober  
Jacqueline R. Ricci

## OFFICERS

**Philip B. Hodge**  
President and Chief Executive Officer

**Terry L. McNeill**  
Chief Operating Officer

**Kristopher B. Zack**  
Chief Financial Officer and Corporate Secretary

**Daniel C. Keenan**  
Vice President Exploitation

**Austin W. Nieuwdorp**  
Vice President Finance and Controller

## HEAD OFFICE

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Calgary, Alberta T2R 1J4  
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Fax: (587) 393-1693

## REGISTRAR AND TRANSFER AGENT

Odyssey Trust Company of Canada

## AUDITORS

Deloitte LLP

## STOCK LISTINGS

Toronto Stock Exchange ("TSX")  
Trading Symbol : PNE

OTC Markets Group Inc. ("OTCQX")  
Trading Symbol : PIFYF

## WEBSITE

[www.pinecliffenergy.com](http://www.pinecliffenergy.com)

## INVESTOR CONTACT

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