



Cardinal Energy Ltd. Announces Budget Update and Increase to Monthly Dividend

CALGARY, Alberta, April 12, 2019 -- Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce that with improved commodity pricing and the security of its oil hedging position that it is increasing its 2019 budget guidance and dividend rate.

Budget Update:

- Using an average oil price of \$57.50 WTI and a WCS differential of US \$15.50 for the balance of 2019 we are now forecasting an increase of approximately 20% in adjusted funds flow to \$110 to \$120 million for 2019.
- Increase in adjusted funds flow expected to be utilized for the following:
 - \$5 to \$10 million of additional debt repayment resulting in a \$30 to \$35 million net debt reduction in 2019, and
 - A \$5 million increase in capital expenditures for drilling and power generation initiatives, and
 - \$3.6 million to fund an increase in dividends in 2019.
- Increase our monthly dividend by 50% to \$0.015 per month (\$0.18 per year) effective for the July dividend payable in August.
- One-time costs associated with reactivating production shut in during Q4 2018 are expected to increase operating costs to approximately \$23 per boe in Q1 with Q2 reverting to budgeted levels.

We will continue to take a conservative approach to operating our business and manage our debt levels and expect to assess our dividend rate again in 2020. Any further adjustments to our dividend level are dependent on numerous factors including oil egress options and pricing in 2020.

At our budgeted simple dividend payout ratio of approximately 16%, we are in a position where the dividend level allows us to strengthen the Company with projects that improve both the short-term and long-term adjusted funds flow as well as improving the long-term viability of the business.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to Cardinal's plans and other aspects of Cardinal's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to 2019 adjusted funds flow, 2019 net debt, plans to reduce net debt, anticipated increase in adjusted funds flow and the use of such increase, our increased 2019 capital expenditures and allocation, our revised dividend policy, dividend increase and timing thereof, our budgeted dividend payout ratio, production reactivation costs and future operating costs and our plans to improve cash flow and the long-term viability of the business.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, including production and production curtailments, current and future commodity prices, differentials and exchange rates, applicable royalty rates, tax laws, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells, the success of its exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions, drilling success and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions including the Acquisition and exploration and development programs; competition from other producers; the lack of availability

of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a 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 Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cardinal will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Non-GAAP measures

This press release contains the terms "adjusted funds flow", "simple dividend payout ratio" and "net debt" which do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. Cardinal uses adjusted funds flow and simple dividend payout ratio to analyze operating performance and assess leverage. Cardinal feels these benchmarks are key measures of profitability and overall sustainability for the Company. Adjusted funds flow and simple dividend payout ratio are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of performance calculated in accordance with GAAP. Adjusted funds flow is calculated as cash flows from operating activities adjusted for changes in non-cash working capital and decommissioning expenditures. Simple dividend payout ratio represents the ratio of the sum of dividends declared plus development capital expenditures divided by adjusted funds flow.

Oil and Gas Metrics

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, 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 ratio of 6:1 may be misleading as an indication of value.

About Cardinal Energy Ltd.

Cardinal is a junior Canadian oil focused company built to provide investors with a stable platform for dividend income and growth. Cardinal's operations are focused in low decline light and medium quality oil in Alberta and Saskatchewan.

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