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## CARDINAL ENERGY LTD.

NEWS RELEASE

JUNE 21, 2017

### CARDINAL ENERGY LTD. CLOSES \$170 MILLION BOUGHT DEAL FINANCING

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce that it has completed its previously announced bought deal financing of 30,910,000 subscription receipts (the "**Subscription Receipts**") at a price of \$5.50 per Subscription Receipt for gross proceeds of approximately \$170 million (the "**Offering**") through a syndicate of underwriters led by RBC Capital Markets, and including CIBC Capital Markets, GMP FirstEnergy, National Bank Financial Inc., Scotiabank, BMO Capital Markets, Canaccord Genuity Corp., Cormark Securities Inc., Peters & Co. Limited and TD Securities Inc. (collectively, the "**Underwriters**").

Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of such holder, one common share ("**Common Share**") of Cardinal (an "**Underlying Common Share**") upon closing of the previously announced acquisition of certain high quality, low decline light oil assets (the "**Acquired Assets**") located in the Weyburn/Midale area of southeast Saskatchewan and in the House Mountain area of Alberta (the "**Acquisition**"). The Acquisition is expected to close on or about June 30, 2017.

The gross proceeds from the sale of the Subscription Receipts (the "**Escrowed Funds**") have been deposited with Computershare Trust Company of Canada, as escrow agent, pending delivery by the Company to the Underwriters of a certificate to the effect that all of the material conditions (other than payment of the purchase price) necessary to complete the Acquisition have been satisfied (the "**Escrow Conditions**"). Upon satisfaction of the Escrow Conditions on or before 5:00 p.m. (Toronto time) on August 31, 2017 (the "**Deadline**"), the Escrowed Funds will be released to the Company to enable it to complete the Acquisition. On the closing of the Acquisition, each holder of Subscription Receipts will receive one Underlying Common Share for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder, and such holder will also be entitled to receive an amount per Subscription Receipt equal to the amount per Common Share of any cash dividends for which record date(s) have occurred during the period commencing on the date hereof through the date immediately preceding the date the Underlying Common Shares are issued pursuant to the Subscription Receipts. Cardinal will utilize the Escrowed Funds to pay a portion of the purchase price of the Acquired Assets. The balance of the purchase price will be funded through a draw on the Company's revolving credit facility.

If: (i) the Acquisition is not completed by the Deadline; (ii) the purchase and sale agreement in respect of the Acquisition is terminated in accordance with its terms at any earlier time; or (iii) Cardinal has advised the Underwriters or announced to the public that it does not intend to proceed with the Acquisition (the date of occurrence of any such event being the "**Termination Date**"), holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest accrued on such amount up to and including the Termination Date.

It is anticipated that the Subscription Receipts will be listed and posted for trading on the Toronto Stock Exchange under the symbol CJ.R at the open of markets today.

#### Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws regarding the timing and anticipated closing date for the Acquisition, the trading of the Subscription Receipts on the Toronto Stock Exchange, the use of

proceeds of the Offering and sources of funding of the purchase price of the Acquisition. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by the Company's management, including expectations and assumptions concerning Cardinal's ability to obtain the necessary regulatory approvals and satisfaction of the other conditions to closing the Acquisition.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Cardinal can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Acquisition may not be completed on the anticipated timeframes or at all 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 the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect Cardinal's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

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 information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

**THIS NEWS RELEASE SHALL NOT CONSTITUTE AN OFFER OF THE SECURITIES IN THE UNITED STATES. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION FROM SUCH REGISTRATION. CARDINAL HAS NOT REGISTERED AND WILL NOT REGISTER THE SECURITIES UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. CARDINAL DOES NOT INTEND TO ENGAGE IN A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. THIS NEWS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.**

#### **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 all season access areas in Alberta.

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