



NEWS RELEASE

AUGUST 5, 2020

**CARDINAL ENERGY LTD. ANNOUNCES REDETERMINATION OF CREDIT FACILITY
AND COMPLETION OF EXCHANGE RIGHT**

Credit Facility

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**") (TSX: CJ) confirms the Company has completed the redetermination of its credit facility in partnership with its syndicate of lenders. Cardinal's credit facility has been confirmed at \$225 million, comprised of a \$205 million revolving facility and a \$20 million operating facility with the revolving period extended to August 31, 2020 and the credit facility maturing on May 23, 2021. Cardinal anticipates the credit facility will provide sufficient liquidity to execute on its business plan which is primarily reducing debt through the balance of 2020.

During this period of uncertainty we are focused on controlling as many of our business inputs as possible. We have hedged a large percentage of our 2020 production and will continue to opportunistically hedge our 2021 production to enable us to further reduce our overall debt levels quarter over quarter.

Exchange Right

Cardinal announces the expiration and closing of the exchange right of debentureholders to exchange their 5.50% convertible debentures due December 31, 2020 for new 8.00% convertible debentures due December 31, 2022. The exchange right expired at 5:00 p.m. Eastern Time on August 4, 2020.

Today, Cardinal exchanged \$28.207 million aggregate principal amount of 5.50% convertible debentures validly tendered for exchange for an equal aggregate principal amount of new 8.00% convertible debentures.

Trading of the new 8.00% convertible debentures on the TSX is expected to commence approximately three to four business days following the exchange date under the stock symbol **CJ.DB.A**.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "**forward-looking statements**") 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, and without limiting the generality of the foregoing, all statements included in this press release that address activities, events or developments that Cardinal expects or anticipates will or may occur in the future, including, but not limited to statements with respect to the anticipated liquidity provided by the credit facility, the hedging of 2021 production, and the expected time at which the new 8.00% convertible debentures will trade on the TSX, all constitute forward-looking statements under applicable Canadian securities laws and necessarily involve known and unknown risks and uncertainties, most of which are beyond Cardinal's control.

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 the COVID-19 pandemic on economic activity and commodities prices, the impact of general economic conditions, the risk that the credit facility will not provide sufficient liquidity for Cardinal to execute its business plan, the risk that appropriate hedging opportunities will not be available for 2021 production, and the risk that the new 8.00% convertible debentures will not be listed for trading when anticipated.

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.

About Cardinal Energy Ltd.

One of Cardinal's goals is to continually improve our Environmental, Safety and Governance mandate and operate our assets in a responsible and environmentally sensitive manner. As part of this mandate, Cardinal injects and conserves more carbon than it directly emits making us one of the few Canadian energy companies to have a negative carbon footprint.

Cardinal is a Canadian oil focused company with operations focused on low decline light and medium quality oil in Western Canada.

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