



NEWS RELEASE

DECEMBER 30, 2020

### CARDINAL ENERGY LTD. ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) announces that it has closed the non-brokered private placement (the "**Private Placement**") of 2<sup>nd</sup> lien secured notes for gross proceeds of \$16,244,000 and 8,122,000 units (the "**Units**") at a subscription price of \$0.50 per Unit for proceeds of \$4,061,000 as announced on December 7, 2020. The proceeds from the Private Placement will be used to repay Cardinal's outstanding 5.50% convertible subordinated debentures which are maturing on December 31, 2020 and for general corporate purposes.

As a condition of the financing, certain directors participated in the Private Placement for approximately 23% of the offering. Cardinal insiders currently own approximately 26% of the Company's diluted outstanding shares.

To date, through its service providers, Cardinal has been approved for approximately \$18.1 million in funding in Saskatchewan and Alberta from the government abandonment and reclamation subsidy programs. Cardinal was active in the fourth quarter in its abandonment and reclamation activities and expects to receive additional funding in subsequent government subsidies through these programs.

Cardinal expects to release its 2021 budget in January which is expected to focus on debt reduction and additional asset retirement obligation expenditures. Cardinal's low decline asset base will allow the Company to spend minimal amounts of capital to maintain its production with up to 10% of current production awaiting improved pricing before reactivating.

#### **Advisories**

#### ***Forward Looking Information***

*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: Cardinal's business strategies, plans and focus, the Company's 2021 budget focused on debt reduction and additional asset retirement obligation expenditures, production decline rate, the amount of capital required to maintain production, anticipated future production, expectations that the Company will receive additional funding through future government abandonment*

*and reclamation subsidy programs, Cardinal's Environmental, Safety and Governance mandate and plans to operate the Company's assets in a responsible and environmentally sensitive manner.*

*Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, future production, the impact (and the duration thereof) that the COVID-19 pandemic will have on (i) the demand for crude oil, natural gas liquids and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, and (iii) our ability to produce, transport and/or sell our crude oil, natural gas liquids and natural gas; the ability of OPEC+ nations and other major producers of crude oil to reduce crude oil production and thereby arrest and reverse the steep decline in world crude oil prices; future production rates, current and future commodity prices 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 our exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the timing and success of our cost cutting initiatives, the availability and cost of labor and services, the impact of competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the continued availability of our credit facility and level of liquidity and our ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and 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 the COVID-19 pandemic, general economic conditions; volatility in market prices for crude oil, natural gas liquids and natural gas; industry conditions; our ability to access sufficient capital from internal and external sources, currency fluctuations; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions 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; and 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.*

*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.*

### ***Diluted Share Information***

*The diluted outstanding share information contained in this press release has been calculated based on the number of outstanding common shares and the number of common shares that could be issued on settlement of outstanding share awards and the exercise of outstanding warrants, but does not include common shares that could be issued on conversion of the Company's outstanding convertible debentures.*

**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, medium and heavy quality oil in Western Canada.

**For further information:**

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