CARDINAL
ENERGY LTD.

NEWS RELEASE **MARCH 14, 2022**

CARDINAL ENERGY LTD. ANNOUNCES FOURTH QUARTER 2021 AND YEAR-END FINANCIAL RESULTS

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce its operating and financial results for the fourth quarter and year ended December 31, 2021.

FINANCIAL HIGHLIGHTS FROM THE FOURTH QUARTER OF 2021

- Fourth quarter 2021 production increased 10% over the same period in 2020;
- In the fourth quarter of 2021, adjusted funds flow(1) increased 293% to $53.5 million ($0.36 per basic share) as compared to the fourth quarter of 2020. Adjusted funds flow(1) for 2021 increased to $132.5 million, a 202% increase over 2020;
- West Texas Intermediate ("WTI") oil prices averaged approximately US$77/bbl resulting in free cash flow(1) of $35.4 million in the fourth quarter of 2021 contributing to a fourth quarter net debt(1) reduction of $39.5 million over the third quarter of 2021;
- During 2021, Cardinal reduced its net debt(1) position by $68.6 million or 28% of the balance at the end of 2020;
- Net debt(1) at December 31, 2021 decreased to $178.2 million leading to a net debt to adjusted funds flow ratio(1) of 1.3.

(1) See non-GAAP and other financial measures

The following table summarizes our fourth quarter and annual 2021 operating and financial highlights:

($000's except shares, per share and operating amounts)	Three months ended December 31, 2021	2020	% Chg	Year ended December 31, 2021	2020	% Chg
Petroleum and natural gas revenue	**140,409**	66,065	113	**445,069**	223,231	99
Cash flow from operating activities	**51,973**	12,810	n/m	**125,121**	43,525	187
Adjusted funds flow [1]	**53,495**	13,608	293	**132,507**	43,827	202
per basic share	**0.36**	0.12	200	**0.92**	0.39	136
per diluted share	**0.33**	0.12	175	**0.86**	0.39	121
Earnings / (Loss)	**38,955**	119,988	(68)	**284,415**	(363,160)	n/m
per basic share	**0.26**	1.06	(75)	**1.98**	(3.20)	n/m
per diluted share	**0.24**	1.04	(77)	**1.84**	(3.20)	n/m
Development capital expenditures [1]	**18,110**	3,325	n/m	**50,576**	30,393	66
Other capital expenditures	**621**	242	156	**1,493**	1,113	34
Property acquisitions, net	**(10,069)**	-	n/m	**(6,041)**	-	n/m
Total capital expenditures	**8,662**	3,567	143	**46,028**	31,506	46
Common shares, net of treasury shares (000s)				**150,442**	121,349	24
Bank debt				**142,412**	192,115	(26)
Adjusted working capital deficiency [1]				**23,235**	10,284	126
Net bank debt [1]				**165,647**	202,399	(18)
Secured notes				**12,546**	16,217	(23)
Convertible debentures				**-**	28,207	(100)
Net debt [1]				**178,193**	246,823	(28)
Net debt to adjusted funds flow ratio [1]				**1.3**	5.6	(77)
Operating						
Average daily production						
Light oil (bbl/d)	**7,509**	6,929	8	**7,293**	7,173	2
Medium/heavy oil (bbl/d)	**9,857**	8,220	20	**8,533**	8,093	5
NGL (bbl/d)	**870**	1,200	(28)	**915**	911	-
Natural gas (mcf/d)	**13,733**	13,653	1	**14,093**	13,585	4
Total (boe/d)	**20,525**	18,625	10	**19,090**	18,442	4
Netback ($/boe) [1]						
Petroleum and natural gas revenue	**74.36**	38.56	93	**63.88**	33.07	93
Royalties	**14.67**	5.90	149	**11.49**	4.93	133
Net operating expenses[1]	**22.29**	16.84	32	**22.22**	17.39	28
Transportation expenses	**0.73**	0.25	192	**0.49**	0.29	69
Netback[1]	**36.67**	15.57	136	**29.68**	10.46	184
Realized loss on commodity contracts	**4.74**	3.58	32	**6.72**	0.07	n/m
Interest and other	**1.26**	2.40	(48)	**1.79**	1.94	(8)
G&A	**2.34**	1.64	43	**2.15**	1.97	9
Adjusted funds flow netback [1]	**28.33**	7.95	256	**19.02**	6.48	194

(1) See non-GAAP and other financial measures

FOURTH QUARTER OVERVIEW

In the fourth quarter of 2021, oil prices continued to rise with the WTI benchmark oil price averaging US$77/bbl, an increase of approximately 9% over the average price in the third quarter. Cardinal's successful drilling and well reactivation program increased our production by 5% over the prior quarter, which, combined with the higher commodity prices bolstered the Company's adjusted funds flow by 42% over the third quarter of 2021 to $53.5 million ($0.36 per basic share). This contributed to a $39.5 million reduction in net debt, 18% of the net debt balance at the end of the third quarter.

During the fourth quarter, the Company spent a total of $18.1 million on development capital expenditures which included the drilling of three (3.0 net) wells and completion of four (4.0 net) wells in Southern Alberta. The Company also continued with its Enhanced Oil Recovery ("EOR") CO_2 injection program at Midale, Saskatchewan where the two new injection wells we drilled in the second quarter are injecting up to 9 mmcf/d of incremental CO_2 (~500 tonnes/day).

Cardinal's peer leading, low annual decline (~10%) asset base has allowed the Company to be very selective in allocating drilling capital while maintaining production volumes. In the 2nd half of 2021, Cardinal drilled 10 (8.5 net) wells, investing ~$12.8 million on these projects. Over three months since the last of these wells came on stream, production associated with this activity is currently approximately 1,600 boe/d, well above forecast. With current commodity prices, we expect the program in aggregate will pay out in the second quarter and has further reduced the risk of the identified follow-up locations, providing more confidence in the low cost, long term sustainability of our production base.

With increasing oil prices and improved payout periods, in the fourth quarter of 2021, we also accelerated our well reactivation program spending $2.8 million on recompletions and workovers throughout our operating areas. In the fourth quarter, Cardinal closed the disposition of approximately 200 boe/d of non-core production and associated lands and liabilities for gross proceeds of $10.5 million. Including the disposition, Cardinal spent $8.7 million on capital expenditures in the fourth quarter of 2021.

Increased adjusted funds flow combined with our disciplined capital program enhanced our free cash flow during the quarter contributing a net debt reduction of $39.5 million. During the fourth quarter, we repaid our 2020 second lien secured notes with a portion of our free cash flow extinguishing the higher interest rate debt. In addition, Cardinal continued with its debt reduction strategy and reduced net bank debt by $21.8 million during the fourth quarter. In 2021, Cardinal has reduced its net debt by $68.6 million or 28% below the net debt balance at December 31, 2020.

Fourth quarter 2021 net operating expenses per boe were 5% lower than the prior quarter at $22.29/boe due to lower fourth quarter Alberta electricity costs combined with higher production. In 2021, costs were higher than historical levels as Alberta power prices have significantly increased over 2020.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Cardinal maintained our strong corporate emissions performance in 2021 with continued CO_2 sequestration in Saskatchewan and implementation of various emissions reduction projects across Alberta. Through our world class Carbon Capture and Sequestration ("CCS") EOR operation at Midale, the Company sequestered approximately 242,000 tonnes of CO_2 in 2021. Two additional injection wells were drilled and brought online at Midale, Saskatchewan over the summer. These injectors will contribute to increasing sequestration to over 300,000 tonnes of CO_2 in 2022 while supporting increased oil recovery from the Midale unit. To date, the Midale CCS EOR project has sequestered over five million tonnes of CO_2 and has reduced oil production decline rates to approximately 3% to 5%. Cardinal also implemented emissions reduction projects at over 75 wellsites across Alberta, reducing vented greenhouse gas emissions by over 2,000 tonnes of CO_2 equivalent.

Cardinal's safety record continues to be in the top tier of the industry, as is our regulatory compliance approval level.

In 2021 and into 2022, Cardinal continued to actively participate in various government programs focused on well and pipeline abandonments and facility decommissioning. During 2021, Cardinal abandoned 201 wells, numerous pipeline segments and has initiated decommissioning of several inactive facilities.

OUTLOOK

Cardinal continues to implement its 2022 business plan and budget. The increase in commodity prices has enabled us to continue with our debt reduction strategy and accelerate our debt repayment at a rate not envisioned at the start of the year.

Our Board of Directors has approved a marginal increase in our capital program for 2022. Our initial 2022 budget of $75 million in capital spending and $9 million of abandonment and reclamation spending ("ARO") will be increased by $15 million. Of the increase, approximately $5 million of the additional capital spending will be allocated to strategic Clearwater land acquisitions, a portion of which has been spent in the first quarter, and an additional $10 million will be spent on ARO with an increased focus on surface land reclamation and restoration in Alberta and Saskatchewan. With the increased ARO budget amount and our remaining government grant contributions we expect to spend over $24 million on ARO in 2022 which represents over four times the required regulatory spend.

To date in the first quarter of 2022, we have completed the drilling and completion of eight wells. Two Dunvegan light oil wells were drilled and completed and have commenced production following our type curve expectation. Two Ellerslie multi-leg horizontal wells were drilled and completed in the Brooks area of southern Alberta. The first well has been on production for approximately two weeks at rates double our type curve expectations in the area. The second Ellerslie well is expected to be on stream this week. In addition, Cardinal's first four Clearwater wells at Nipisi have been drilled and completed and are also expected to commence production this week.

The remaining ten wells of our budgeted drilling activity for 2022 will be focused on select development at Midale, Brooks and in our Central Alberta area. Cardinal has identified a deep development inventory across our asset base which in combination with our low corporate decline rate puts the Company in an enviable position to sustain production volumes over the longer term with modest annual capital investments. Cardinal will continue to further upgrade our inventory through targeted land acquisitions as the opportunities present themselves.

We continue to improve our ESG metrics and our 2021 report will be available on our corporate website at www.cardinalenergy.ca on March 15, 2022. This years report reflects the efforts our team puts into improving our ESG footprint on a daily basis.

As we move through these tumultuous times, we are cognizant of our goals which are to reduce our corporate risk and return capital to shareholders. At the beginning of 2022, we outlined a definitive plan to enhance the long-term viability of the Company and to return capital to shareholders. The first phase of this plan is to begin a monthly sustainable dividend once our net bank debt level is below $100 million. At current prices and forecasted spending, we expect our net bank debt to be approximately $140 million at the end of the first quarter of 2022. If commodity prices remain strong, we expect to reach our phase one net debt target in the second quarter of 2022.

We expect to be able to announce the timing and amount of our dividend reinstatement with our first quarter results on May 12, 2022.

ANNUAL FILINGS

Cardinal also announces the filing of its Audited Financial Statements for the year ended December 31, 2021 and related Management's Discussion and Analysis with the Canadian securities regulatory authorities on the System for Electronic Analysis and Retrieval ("SEDAR"). In addition, Cardinal will file its Annual Information Form for the year ended December 31, 2021 on SEDAR on or prior to March 30, 2022. Electronic copies may be obtained on Cardinal's website at www.cardinalenergy.ca and on Cardinal's SEDAR profile at www.sedar.com.

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: our business strategies, plans and objectives, plans to continue with our debt reduction strategy, our 2022 capital program and spending plans, our drilling and completion plans, expectations with respect to ongoing new wells and our drilling inventory, the quality of our asset base and decline rates, our abandonment and reclamation program, our future ESG performance, plans to upgrade our drilling inventory, dividend plans, plans to operate our assets in a responsible and environmentally sensitive manner, our plans to reduce risk and return capital to shareholders and our first quarter net debt.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices and exchange rates, applicable royalty rates, tax laws, industry conditions, availability of government subsidies and abandonment and reclamation programs, 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 and power projects, 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 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 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 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 including abandonment and reclamation programs; 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations, cash flows, payout ratios and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release were made as of the date hereof and is provided for the purpose of describing our anticipated future business operations. We disclaim any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Supplemental Information Regarding Product Types

This news release includes references to 2021 and 2020 production. The Company discloses crude oil production based on the pricing index that the oil is priced off of. The following table is intended to provide the product type composition as defined by NI 51-101.

	Light/Medium Crude Oil	Heavy Oil	NGL	Conventional Natural Gas	Total (boe/d)
Q4/21	51%	34%	4%	11%	20,525
Q4/20	55%	26%	7%	12%	18,625
2021	54%	29%	5%	12%	19,090
2020	55%	27%	5%	13%	18,606
2021 Drills	20%	65%	3%	12%	1,600
Disposed	16%	-	14%	70%	200

Advisory Regarding Oil and Gas Information

Where applicable, oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. Boes 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 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Non-GAAP and Other Financial Measures

This news release contains certain specified measures consisting of non-GAAP financial measures, capital management measures, non-GAAP financial ratios, and supplementary financial measures. Since these specified financial measures may not have a standardized meaning, they must be clearly defined and, where required, reconciled with their nearest GAAP measure.

Net operating expenses

Net operating expenses is calculated as operating expense less processing and other revenue primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest, and can be expressed on a per boe basis. As the Company’s principal business is not that of a midstream entity, management believes this is a useful supplemental measure to reflect the true cash outlay at its processing facilities by utilizing spare capacity to process third party volumes.

	Three months ended		Year ended	
	Dec 31, 2021	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Operating expenses	**42,932**	29,870	**158,529**	120,600
Processing and other revenue	**(842)**	(1,024)	**(3,686)**	(3,224)
Net operating expenses	**42,090**	28,846	**154,843**	117,376

Netback

Cardinal utilizes netback as key performance indicator and is utilized by Cardinal to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Netback is calculated as petroleum and natural gas revenue deducted by royalties, net operating expenses, and transportation expenses. The following table reconciles petroleum and natural gas revenue to netback:

	Three months ended		**Year ended**	
	Dec 31, 2021	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Petroleum and natural gas revenue	**140,409**	66,065	**445,069**	223,231
Royalties	**(27,693)**	(10,109)	**(80,051)**	(33,246)
Net operating expenses	**(42,090)**	(28,846)	**(154,843)**	(117,376)
Transportation expenses	**(1,378)**	(436)	**(3,406)**	(1,937)
Netback	**69,248**	26,674	**206,769**	70,672

Capital expenditures and development capital expenditures

Cardinal utilizes capital expenditures as a measure of capital investment on property, plant and equipment compared to the annual budgeted capital expenditure. Capital expenditures is calculated as cash flow from investing activities excluding change in non-cash working capital and corporate acquisition.

Cardinal utilizes development capital expenditures as a measure of capital investment on property, plant and equipment excluding capitalized G&A, other assets and net acquisitions and is compared to the annual budgeted capital expenditures. The following table reconciles cash flow from investing activities to total capital expenditures to total development capital expenditures.

	Three months ended		**Year ended**	
	Dec 31, 2021	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Cash flow from investing activities	**3,540**	3,723	**46,571**	50,748
Change in non-cash working capital	**5,122**	(156)	**15,268**	(19,242)
Corporate acquisition	**-**	-	**(15,811)**	-
Capital expenditures	**8,662**	3,567	**46,028**	31,506
Less:				
Capitalized G&A	**567**	233	**1,339**	985
Other assets	**54**	9	**154**	128
Property acquisitions	**306**	-	**4,334**	-
Proceeds from property dispositions	**(10,375)**	-	**(10,375)**	-
Development capital expenditures	**18,110**	3,325	**50,576**	30,393

Capital Management Measures

Adjusted working capital

Management utilizes adjusted working capital to monitor its capital structure, liquidity, and its ability to fund current operations. Adjusted working capital is calculated as current liabilities less current assets (adjusted for the warrant liability, fair value of financial instruments, current decommissioning obligation, and current lease liabilities). The following table reconciles working capital to adjusted working capital:

As at	**Dec 31, 2021**	Dec 31, 2020
Working Capital	**(30,086)**	(25,690)
Lease liabilities	**1,371**	1,687
Decommissioning obligation	**5,480**	3,280
Fair value of financial instruments, net	**-**	6,909
Warrant liability	**-**	3,530
Adjusted working capital deficiency	**(23,235)**	(10,284)

Net debt

Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as bank debt plus the principal amount of convertible unsecured subordinated debentures ("convertible debentures"), secured notes and adjusted working capital.

Net bank debt

Management utilizes net bank debt to analyze the financial position, liquidity, leverage and borrowing capacity on Cardinal's bank line. Net bank debt is calculated as net debt less the principal amount of convertible debentures and secured notes.

The following table reconciles bank debt to net bank debt and net debt:

As at	**Dec 31, 2021**	Dec 31, 2020
Bank debt	**142,412**	192,115
Adjusted working capital deficiency	**23,235**	10,284
Net bank debt	**165,647**	202,399
Secured notes	**12,546**	16,217
Principal amount of convertible debentures	**-**	28,207
Net debt	**178,193**	246,823

Funds flow

Management utilizes funds flow as a useful measure of Cardinal's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding change in non-cash working capital.

Adjusted funds flow

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures. As shown below, adjusted funds flow is calculated as funds flow excluding transaction costs, and decommissioning expenditures since Cardinal believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

Free cash flow

Management utilizes free cash flow as a measure to assess Cardinal's ability to generate cash, after taking into account the development capital expenditures, to increase returns to shareholders, repay debt, or for other corporate purposes. As shown below, free cash flow is calculated as adjusted funds flow less development capital expenditures.

The following table reconciles cash flow from operating activities, funds flow, adjusted funds flow, and free cash flow:

	Three months ended		Year ended	
	Dec 31, 2021	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Cash flow from operating activities	**51,793**	12,810	**125,121**	43,525
Change in non-cash working capital	**(789)**	202	**414**	(2,547)
Funds flow	**51,184**	13,012	**125,535**	40,978
Decommissioning expenditures	**2,260**	596	**6,302**	2,849
Transaction costs	**51**	-	**670**	-
Adjusted funds flow	**53,495**	13,608	**132,507**	43,827
Total development capital expenditures	**(18,110)**	(3,325)	**(50,576)**	(30,393)
Free cash flow	**35,385**	10,283	**81,931**	13,434

Non-GAAP Financial Ratios

Netback per boe

Cardinal utilizes netback per boe to assess Cardinal's operating performance of its petroleum and natural gas assets on a per unit of production basis. Netback per boe is calculated as netback divided by total production for the applicable period.

Adjusted funds flow netback

Management utilizes adjusted funds flow netback as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures on a per unit of production basis. Adjusted funds flow netback is calculated as netback less realized gains and losses on commodity contracts, interest and G&A divided by total production for the applicable period.

The following table details the calculation of netback per boe and adjusted funds flow netback per boe:

	Three months ended		Year ended	
	Dec 31, 2021	Dec 31, 2020	**Dec 31, 2021**	Dec 31, 2020
Petroleum and natural gas revenue	**74.36**	38.56	**63.88**	33.07
Royalties	**14.67**	5.90	**11.49**	4.93
Net operating expenses	**22.29**	16.84	**22.22**	17.39
Transportation expenses	**0.73**	0.25	**0.49**	0.29
Netback per boe	**36.67**	15.57	**29.68**	10.46
Realized loss on commodity contracts	**4.74**	3.58	**6.72**	0.07
Interest and other	**1.26**	2.40	**1.79**	1.94
G&A	**2.34**	1.64	**2.15**	1.97
Adjusted funds flow netback per boe	**28.33**	7.95	**19.02**	6.48

Net debt to adjusted funds flow

Cardinal utilizes net debt to adjusted funds flow to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Cardinal monitors this ratio and uses this as a key measure in making decisions regarding financing, capital expenditures and shareholder returns. Net debt to adjusted funds flow is calculated as net debt divided by adjusted funds flow for the trailing twelve month period.

Total payout ratio

Cardinal utilizes this ratio as key measure to assess the Company's ability to fund financing activities, operating activities, and capital expenditures. Total payout ratio is calculated as the sum of dividends declared plus development capital expenditures divided by adjusted funds flow.

Net operating expenses per boe

Cardinal utilizes net operating expenses per boe to assess Cardinal's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is calculated as net operating expenses divided by total production for the applicable period.

Adjusted funds flow per basic share

Cardinal utilizes adjusted funds flow per share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures on a per basic share basis. Adjusted funds flow per basic share is calculated using adjusted funds flow divided by the weighted average basic shares outstanding adjusted for shares held in treasury.

Adjusted funds flow per diluted share

Cardinal utilizes adjusted funds flow per share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, and capital expenditures on a per diluted share basis. Adjusted funds flow per diluted share is calculated using adjusted funds flow divided by the weighted average diluted shares outstanding adjusted for shares held in treasury.

Supplementary Financial Measures

NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this news release are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

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.

One of Cardinal's goals is to continually improve our Environmental, Social and Governance profile 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.

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