CARDINAL
ENERGY LTD.

NEWS RELEASE **MAY 12, 2022**

CARDINAL ENERGY LTD. ANNOUNCES FIRST QUARTER 2022 OPERATING AND RECORD FINANCIAL RESULTS

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) announces its operating and record financial results for the first quarter ended March 31, 2022.

FINANCIAL AND OPERATING HIGHLIGHTS FROM THE FIRST QUARTER OF 2022

- First quarter 2022 total production increased 12% over the same period in 2021 with crude oil production increasing by 18%;
- Adjusted funds flow(1) increased to a record $86.6 million, a 436% increase over the same period in 2021 and a 62% increase over the prior quarter;
- Adjusted funds flow per share(1) increased by 61% over the prior quarter to $0.58/share and $0.53/diluted share;
- First quarter 2022 free cash flow(1) increased 46% over the prior quarter to $51.6 million;
- Net debt(1) decreased $31 million or 17% from the balance at the end of 2021 to $147.2 million leading to a Q1 net debt to adjusted funds flow ratio(1) of 0.4;
- Expect to achieve our phase one debt level target of $100 million and reinstate our monthly dividend in the second quarter of 2022;
- First quarter 2022 netback per boe(1) increased to $50.47 while the adjusted funds flow per boe(1) increased to $46.70;
- Successful first quarter 2022 drilling program included four Clearwater oil wells, two Dunvegan light oil wells and four wells in our Southern Alberta area has increased current production resulting in Cardinal expecting to exceed production guidance for the year;

(1) See non-GAAP and other financial measures

The following table summarizes our first quarter financial and operating highlights:

($000's except shares, per share and operating amounts)	Three months ended March 31, **2022**	2021	% Chg
Petroleum and natural gas revenue	**174,338**	85,547	104
Cash flow from operating activities	**50,043**	13,275	277
Adjusted funds flow [(1)]	**86,551**	16,149	n/m
per share - basic	**0.58**	0.12	n/m
per share - diluted	**0.53**	0.12	n/m
Earnings / (Loss)	**57,240**	(25,961)	n/m
per share - basic	**0.38**	(0.20)	n/m
per share - diluted	**0.35**	(0.20)	n/m
Development capital expenditures [(1)]	**34,947**	5,907	n/m
Other capital expenditures	**849**	294	189
Property acquisitions, net	**-**	3,326	(100)
Total capital expenditures	**35,796**	9,527	276
Common shares, net of treasury shares (000s)	**151,891**	144,388	5
Bank debt	**146,564**	188,984	(22)
Adjusted working capital deficiency [(1)]	**645**	12,655	(95)
Net bank debt [(1)]	**147,209**	201,639	(27)
Secured notes	**-**	16,809	(100)
Net debt [(1)]	**147,209**	218,448	(33)
Net debt to Q1 annualized adjusted funds flow ratio [(1)]	**0.4**	3.3	(88)
Operating			
Average daily production			
Light oil (bbl/d)	**7,578**	7,042	8
Medium/heavy oil (bbl/d)	**9,900**	7,739	28
NGL (bbl/d)	**804**	1,210	(34)
Natural gas (mcf/d)	**13,888**	14,364	(3)
Total (boe/d)	**20,596**	18,385	12
Netback ($/boe) [(1)]			
Petroleum and natural gas revenue	**94.05**	51.70	82
Royalties	**18.61**	7.84	137
Net operating expenses[(1)]	**24.35**	21.39	14
Transportation expenses	**0.62**	0.30	107
Netback[(1)]	**50.47**	22.17	128
Realized loss on commodity contracts	**-**	8.34	(100)
Interest and other	**1.12**	2.22	(50)
G&A	**2.65**	1.85	43
Adjusted funds flow[(1)]	**46.70**	9.76	n/m

(1) See non-GAAP and other financial measures

FIRST QUARTER OVERVIEW

In the first quarter of 2022, oil prices continued to rise with the WTI benchmark oil price averaging over US$94/bbl, an increase of approximately 22% over the average price in the fourth quarter of 2021. Cardinal was in a position to fully take advantage of the increased prices as we were unhedged on all commodities in the quarter. The higher commodity prices combined with increasing production elevated the Company's adjusted funds flow by 62% over the fourth quarter of 2021 to a record $86.6 million ($0.58 per share - basic).

Increased adjusted funds flow combined with our disciplined capital program enhanced our free cash flow during the quarter to $51.6 million, a 46% increase over the fourth quarter of 2021. This allowed Cardinal to continue with its net debt reduction strategy reducing our net debt by $31 million or 17% of the balance at the end of 2021. The net debt reduction included the repayment of all remaining outstanding higher interest rate secured notes. In addition, Cardinal reduced net bank debt by $18.4 million. Cardinal remains on track to achieve our first phase net debt target of $100 million in the second quarter of 2022.

Cardinal has negotiated the renewal of its banking facility with its syndicate of lenders. Consistent with our strategy of reducing our overall corporate net debt levels and to reduce additional fees, we have reduced the size of our credit facility from $225 million to $185 million. Export Development Canada ("EDC") has exited our banking facility and we thank them for their support in helping us bridge a difficult time period in 2020. All of the other members of Cardinal's banking syndicate have continued their commitment to the Company's credit facility.

Crude oil makes up 85% of Cardinal's production which is up from 80% in the first quarter 2021. This focus on maximizing oil production has allowed the Company to increase our first quarter 2022 netback to $50.47 per boe, up 128% over the same period in 2021, while the adjusted funds flow has increased to a record $46.70 per boe.

The Company has an estimated $1.5 billion of high quality tax pools at March 31, 2022 to be applied against future income for tax purposes.

During the first quarter, the Company spent a total of $34.9 million on development capital expenditures which included the drilling of ten (9.9 net) wells and completion of nine (8.9 net) wells. In addition, Cardinal spent $11.7 million to construct new facilities and upgrade existing infrastructure across our asset base and continued with the enhanced oil recovery program ("EOR") with CO_2 injection at Midale, Saskatchewan. The Company also continued with its well reactivation program spending $3.3 million on recompletions and workovers throughout its operating areas. In order to take advantage of available services and high commodity prices, the Company accelerated certain capital projects originally budgeted for later in 2022 and spent approximately 43% of our 2022 capital budget during the first quarter. Our current budget contemplates drilling six more wells in 2022, none of which will be fracture stimulated resulting in minimal exposure to the inflationary pressures that the industry is experiencing for the remainder of the year.

In the first quarter, operational results were excellent across all activities and have further reinforced the Company's conviction in the quality of its existing asset base and development drilling inventory. Production in the quarter averaged 20,596 boe/d, approximately 500 boe/d above our internal budget forecast. Despite the impact of extreme cold weather in early January, production exceeding forecast amounts in the quarter was driven primarily by lower than forecasted base declines and higher than budgeted production from our 2021/22 drill program. March volumes increased to over 21,500 boe/d as the first four wells from our 2022 program began contributing production.

Cardinal has the lowest corporate base decline rate in our peer group at less than 10% annually. Over the past year, this has been highlighted through the results from our Central Alberta and Southeast Saskatchewan districts where base production (Cardinal wells pre-2021) demonstrated effectively no decline year over year (Q1 2021 compared to Q1 2022) on the back of successful waterflood management, CO_2 flood management and ongoing optimization efforts. Though individually the well production increases are relatively small, these efforts provide low cost barrels and optimize use of existing infrastructure. Cardinal will continue to focus on prudent management of its long life assets throughout the organization.

Initial results from our 2022 development drilling program have been very positive and across the board have de-risked future development activity. Highlights include:

- Two (1.9 net) wells extending our existing Dunvegan light oil pool at Grande Prairie currently producing over 500 boe/d combined, well above type curve after two months of production;
- Four (4.0 net) six leg Clearwater multilateral wells at Nipisi on stream in early April with current combined rates over 750 bbls/d;
- Two (2.0 net) three leg Ellerslie multilateral wells at Tide Lake on stream in March at rates up to 800 boe/d each.

Along with our position at Nipisi, and as a result of both offsetting industry activity and success at first quarter land sales, Cardinal increased its prospective undeveloped land inventory on the Nipisi – Peavine Clearwater trend to 12,000 acres across three prospects. The Company will continue with its measured development pace and currently anticipates resuming drilling operations in these areas in early 2023.

At Tide Lake in Southern Alberta, based upon the continued success of our Ellerslie multilateral development, Cardinal increased our prospective land position and is assessing longer term infrastructure requirements as the size and productivity of the Ellerslie development continues to expand beyond our initial expectations.

The Company has identified over 500 potential drilling opportunities throughout our asset base. Along with our optimization efforts, we expect these locations will provide the ability for the Company to maintain or grow our production base over the long term.

Our operations, both base and development, have outperformed expectations. Though not immune, due to our low decline rate and relatively small capital requirements, Cardinal is in an enviable position to mitigate some of the inflationary and executional impacts that the industry is facing with increasing activity. We will continue with our sustainable approach to developing our asset base for the long term.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Cardinal maintained our strong corporate emissions performance in 2022 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 78,000 tonnes of CO_2 equivalent in the first quarter of 2022. This amount of carbon sequestration far exceeds the emissions directly related to the Company's operations. To date, the Midale CCS EOR project has sequestered over five million tonnes of CO_2 and has reduced oil production decline rates from this project to approximately 3% to 5%.

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

Since 2020, Cardinal has continued to actively participate in various government programs focused on site closure, including abandonments, decommissioning and reclamation. To date Cardinal has spent approximately 85% of the nearly $30 million in allocated funding. In addition, Cardinal's 2022 asset retirement obligation ("ARO") budget has been increased to $19 million, four times the required regulatory spend requirements, demonstrating Cardinal's commitment to reducing our environmental footprint.

In 2022, Cardinal's Directors, Officers and employees donated over $90,000 to fund the purchase of medical supplies to assist the people of Ukraine impacted by the war. If any shareholder would like to participate in the effort, please see the link on Cardinal's website.

OUTLOOK

Cardinal anticipates that it will reach its First Phase debt reduction milestone of total corporate net debt being below $100 million by the end of May of 2022. As outlined to shareholders since January, the board of directors of the Company has approved a reinstatement of the Company's monthly dividend starting at $0.05 per share per month in June. The record date for the dividend will be June 30, 2022 and the dividend will be paid on or about the 15th of July, 2022. This dividend will be an "eligible dividend" for Canadian income tax purposes.

When setting the initial rate for the reinstatement of the dividend, Cardinal's Board of Directors took into account the backwardation of the one year price curve for WTI crude oil, current debt levels and the sustainability of the dividend in the case of a significant drop in oil prices. The Company's goal is to sustain this level of a monthly dividend with a long-term oil price down to US$55/bbl. At this oil price level, Cardinal expects it could fund the dividend, required ARO expenditures and a capital program maintaining its base production. As the Company continues with its debt reduction strategy and interest costs are reduced, this base oil price level to fund our outlays could also be lowered.

Cardinal will continue to focus on debt reduction and, with current forecasted commodity prices, expects to reach its Phase Two debt reduction target of total corporate net debt of less than $50 million in the third quarter of 2022. At that time, we will as outlined, revisit our monthly dividend rate.

The funds flow used to pay Cardinal's dividend is from oil production that is net negative for carbon emissions. Cardinal is one of the few companies that are able to provide its shareholders with a sustainable return based on having a negative carbon footprint.

We are pleased to have reached this important milestone for our company and look forward to announcing our Phase Two debt reduction target later in the year.

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 second quarter net debt levels.

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 2022 and 2021 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)
Q1/22	52%	33%	4%	11%	20,596
Q1/21	54%	26%	7%	13%	18,385
March	52%	33%	4%	11%	21,500
2022 Drills Grande Prairie	60%	-	19%	21%	500
2022 Drills Clearwater	-	100%	-	-	750
2022 Drills Tide Lake	-	88%	-	12%	800

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.

Drilling Locations

This press release discloses Cardinal's approximate 500 identified potential drilling locations, of which 53 net are booked proved undeveloped locations, 19 net are booked probable undeveloped locations and the remaining locations are unbooked. The booked locations are derived from the report prepared by GLJ evaluating Cardinal's reserves as of December 31, 2021.

Unbooked locations do not have attributed reserves. Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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 and may not be comparable with the calculation of similar financial measures disclosed by other entities.

Non-GAAP Measures

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	
	March 31, 2022	March 31, 2021
Operating expenses	**46,136**	36,234
Processing and other revenue	**(998)**	(848)
Net operating expenses	**45,138**	35,386

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 deducting royalties, net operating expenses, and transportation expenses. The following table reconciles petroleum and natural gas revenue to netback:

	Three months ended	
	March 31, 2022	March 31, 2021
Petroleum and natural gas revenue	**174,338**	85,547
Royalties	**(34,497)**	(12,967)
Net operating expenses	**(45,138)**	(35,386)
Transportation expenses	**(1,154)**	(496)
Netback	**93,549**	36,698

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	
	March 31, 2022	March 31, 2021
Cash flow from investing activities	**25,486**	6,332
Change in non-cash working capital	**10,310**	3,195
Capital expenditures	**35,796**	9,527
Less:		
Capitalized G&A	**784**	258
Other assets	**65**	36
Property acquisitions	**-**	3,326
Development capital expenditures	**34,947**	5,907

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 fair value of financial instruments, current decommissioning obligation, and current lease liabilities). The following table reconciles working capital to adjusted working capital:

As at	**March 31, 2022**	March 31, 2021
Working capital deficiency	**(5,586)**	(32,609)
Lease liabilities	**1,273**	1,634
Decommissioning obligation	**3,577**	2,760
Fair value of financial instruments, net	**91**	15,560
Adjusted working capital deficiency	**(645)**	(12,655)

Net debt

Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as bank debt plus 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 secured notes.

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

As at	**March 31, 2022**	March 31, 2021
Bank debt	**146,654**	188,984
Adjusted working capital deficiency	**645**	12,655
Net bank debt	**147,209**	201,639
Secured notes	**-**	16,809
Net debt	**147,209**	218,448

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 the 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 decommissioning expenditures since Cardinal believes the timing of 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	
	March 31, 2022	March 31, 2021
Cash flow from operating activities	**50,043**	13,275
Change in non-cash working capital	**32,986**	1,143
Funds flow	**83,029**	14,418
Decommissioning expenditures	**3,522**	1,731
Adjusted funds flow	**86,551**	16,149
Total development capital expenditures	**(34,947)**	(5,907)
Free cash flow	**51,604**	10,242

Non-GAAP Financial Ratios

Netback per boe

Cardinal utilizes operating 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. The following table details the calculation of netback per boe:

	Three months ended	
	March 31, 2022	March 31, 2021
Petroleum and natural gas revenue	**94.05**	51.70
Royalties	**18.61**	7.84
Net operating expenses	**24.35**	21.39
Transportation expenses	**0.62**	0.30
Netback per boe	**50.47**	22.17

Net debt to adjusted funds flow ratio

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 annualized adjusted funds flow for the applicable period.

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 boe

Cardinal utilizes adjusted funds flow per boe 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 boe basis. Adjusted funds flow per boe is calculated using adjusted funds flow 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 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.

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.

For further information:
M. Scott Ratushny, CEO or Shawn Van Spankeren, CFO or Laurence Broos, VP Finance
Email: info@cardinalenergy.ca
Phone: (403) 234-8681