NEWS RELEASE **NOVEMBER 5, 2026**

CARDINAL ENERGY LTD. ANNOUNCES THIRD QUARTER 2026 OPERATING AND FINANCIAL RESULTS

Calgary, Alberta – Cardinal Energy Ltd. ("Cardinal" or the "Company") (TSX: CJ) is pleased to announce its operating and financial results for the third quarter ended September 30, 2026.

FINANCIAL AND OPERATING HIGHLIGHTS FROM THE THIRD QUARTER OF 2026

- Third quarter 2026 production of 25,127 boe/d increased 21% compared to the same period in 2025 due to crude oil production additions from the Reford steam-assisted gravity drainage ("SAGD") project;

- Adjusted funds flow[(1)] in the third quarter of 2026 was $117.8 million, an increase of 149% compared to the same period in 2025, driven by the meaningful year-over-year production growth as well as a 32% increase in WTI oil prices over that timeframe;

- Free cash flow[(1)] was $57.9 million in the third quarter of 2026, an increase of 176% compared to the same period in 2025. Free cash flow was used to pay our corporate dividend and continue to reduce bank indebtedness;

- Net operating expenses[(1)] per boe decreased 10% to $21.70/boe in the third quarter compared to the same period in 2025 reflecting the addition of lower cost Reford 1 volumes that continue to drive operating cost efficiencies that have been stronger than forecasted at the corporate level;

- Exit third quarter net debt[(1)] of $154.9 million frames a reduction of 10% from levels in the second quarter of 2026. Cardinal's net debt to adjusted funds flow ratio[(1)] improved to 0.4x on a 12-month trailing basis. Further, at the end of the third quarter, the Company was drawn $9.4 million or 3% of our current $275 million credit facilities;

- Cardinal remained active through the third quarter of 2026, investing $60.4 million of capital which included milestone payments for the Reford 2 SAGD project and the drilling of 14 (13.5 net) wells that consisted of oil producers, injectors and stratigraphic tests. We also continued with our conventional well reactivation program and the purchase of CO_2 at our enhanced oil recovery project at Midale, Saskatchewan; and

- Cardinal remains committed to our shareholder return strategy with its consistent $0.06 per share per month dividend leading to $32.2 million being returned to shareholders in the third quarter of 2026. This implies a 78% total payout ratio[(1)], which is meaningfully improved from the same time last year due to the addition of full Reford 1 production volumes and strengthening oil prices.

(1) See non-GAAP and other financial measures.

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

($000's except shares, per share and operating amounts)	Three months ended Sept 30			Nine months ended Sept 30		
	2026	2025	% Chg	**2026**	2025	% Chg
Financial						
Petroleum and natural gas revenue	**215,614**	127,021	70	**613,901**	404,166	52
Cash flow from operating activities	**98,972**	55,489	78	**259,497**	163,329	59
Adjusted funds flow[(1)]	**117,750**	47,316	149	**301,575**	158,981	90
per share – basic	**0.67**	0.29	131	**1.74**	0.99	76
per share – diluted	**0.66**	0.29	128	**1.71**	0.98	74
Earnings	**58,327**	13,798	323	**137,462**	50,716	171
per share – basic	**0.33**	0.09	267	**0.79**	0.32	147
per share – diluted	**0.33**	0.09	267	**0.78**	0.31	152
Development capital expenditures[(1)]	**59,836**	26,310	127	**155,002**	52,082	198
Other capital expenditures[(1)]	**573**	362	58	**2,730**	1,118	144
Acquisitions[(1)]	**-**	-	n/m	**4,834**	-	n/m
Capital expenditures[(1)]	**60,409**	26,672	126	**162,566**	53,200	206
Exploration & evaluation expenditures	**478**	21,232	(98)	**8,778**	128,588	(93)
Common shares, net of treasury shares (000s)	**175,802**	160,576	9	**175,802**	160,576	9
Dividends declared	**32,212**	29,448	9	**95,482**	87,082	10
Per share	**0.18**	0.18	-	**0.54**	0.54	-
Total payout ratio[(1)]	**78%**	118%	(34)	**83%**	88%	(6)
Bank debt				**9,406**	111,042	(92)
Debentures				**100,858**	99,757	1
Adjusted working capital deficiency[(1)]				**44,677**	51,456	(13)
Net debt[(1)]				**154,941**	262,255	(41)
Net debt to adjusted fund flow ratio[(1)]				**0.4**	1.2	(67)
Operating						
Average daily production						
Light oil (bbl/d)	**7,104**	7,216	(2)	**7,043**	7,380	(5)
Medium/heavy oil (bbl/d)	**15,243**	10,410	46	**15,750**	10,824	46
NGL (bbl/d)	**865**	880	(2)	**829**	863	(4)
Conventional natural gas (mcf/d)	**11,487**	13,594	(15)	**11,671**	13,491	(13)
Total (boe/d)	**25,127**	20,772	21	**25,567**	21,316	20
Netback ($/boe)[(1)]						
Petroleum and natural gas revenue	**93.27**	66.47	40	**87.95**	69.45	27
Royalties	**(15.21)**	(12.59)	21	**(14.22)**	(13.31)	7
Net operating expenses[(1)]	**(21.70)**	(24.05)	(10)	**(21.12)**	(23.81)	(11)
Transportation expenses	**(2.12)**	(0.78)	172	**(2.13)**	(0.91)	134
Netback[(1)]	**54.24**	29.05	87	**50.48**	31.42	61
Realized gain/(loss) on commodity contracts	**0.46**	(0.58)	(179)	**(3.08)**	(0.32)	863
Interest and other	**(0.98)**	(0.88)	11	**(1.36)**	(0.91)	49
G&A	**(2.78)**	(2.83)	(2)	**(2.83)**	(2.87)	(1)
Adjusted funds flow[(1)]	**50.94**	24.76	106	**43.21**	27.32	58

(1) See non-GAAP and other financial measures.
n/m Not meaningful or not calculable

THIRD QUARTER OVERVIEW

During the third quarter, Cardinal's Reford 1 volumes of 6,313 bbl/d remained higher than nameplate capacity despite minor downtime in the month of August. Conventional volumes continued to be resilient in the face of lower capital investment in the first half of 2026. An active drilling campaign that commenced in the third quarter and continues through the fourth quarter is forecasted to have conventional production volumes growing through the latter stages of 2026 and into 2027.

Solid production output and strong crude oil prices for the second quarter in a row contributed to third quarter adjusted funds flow of $117.8 million ($0.67/basic share), which is nearly 2.5x higher than the same period in 2025, and one of the top financial quarterly performances in Cardinal's history. The Company remains unhedged on its future oil volumes at this juncture.

Low operating costs also helped generate improved netbacks in the period with the reported third quarter operating expense of $21.70/boe, outperforming 2026 guidance of $22.00-$23.00/boe. Reford 1 operating costs remained a compelling $9.58/boe, while our conventional operational expense was optimized through development drilling, well workovers/reactivations, and low power prices.

Cardinal's capital expenditures in the third quarter totalled $60.4 million and included the drilling and completion of 4 (3.8 net) oil wells, 4 (3.8 net) injector wells and 6 (6.0 net) stratigraphic test wells. The Company also continued to make scheduled payments for the fabrication and construction of its Reford 2 SAGD project while investing in further prospect development along our Saskatchewan thermal fairway.

While Cardinal carried out an active capital campaign in the third quarter, better than forecasted adjusted funds flow prompted the Company's net debt levels to fall for the third consecutive quarter, ending the period at $154.9 million. This represents a flexible balance sheet highlighted by a 0.4x net debt to trailing adjusted funds flow multiple[(1)]. This 10% quarter-over-quarter net debt decrease saw drawings decline to $9.4 million, leaving significant capacity on its available $275 million credit facilities.

SASKATCHEWAN THERMAL UPDATE

REFORD 1

During the third quarter, volumes at Reford 1 continued to track above nameplate capacity at an average of 6,313 bbl/d, carrying a steam-oil-ratio of 2.6x, despite modest volume restrictions observed for approximately one week in August.

Operating netbacks at Reford 1 during the third quarter of 2026 were in excess of $73.00/boe with the strength in crude oil prices pairing well with operating costs that continue to come in below $10.00/boe.

The first two sustaining well pairs for Reford 1 are scheduled to be spud immediately following the ongoing drilling program at Reford 2. It is expected that the two sustaining well pairs will be completed and introduced to first steam, in mid-2027.

REFORD 2

During the third quarter, Cardinal announced that it will be proceeding with the expanded scope of the Reford 2 SAGD project, increasing nameplate capacity to 6,000 bbl/d (previously 4,250 bbl/d). The Company remains on track to deliver first steam in the summer of 2027.

Earthworks for the central processing facility are essentially complete, and commencement of fabricated modules being transported to site for installation and construction is scheduled to begin in early December.

Drilling of the initial six Reford 2 well pairs are currently underway, with surface holes complete on all producers and injectors, and now entering the intermediate wellbore drilling phase of the program.

Two disposal wells that will service Reford 2 have been drilled, with subsequent injectivity tests yielding positive results for disposal capacity.

THERMAL INVENTORY

Through the year and the quarter Cardinal has drilled several delineation and exploratory wells which have continued to advance both previously identified SAGD development opportunities at Kelfield and Handel, and the significant potential of additional projects along the trend.

CONVENTIONAL OPERATIONS UPDATE

The Company's 2026 Clearwater drilling campaign is essentially complete in all focus regions. While we wait for early results on the producing oil wells, two out of the three injectors drilled in the third quarter are now in operation and have increased Cardinal's Clearwater waterflood support from zero, beginning the third quarter, to approximately 700 bbl/d at present.

At Midale, the Company executed a four well drilling program into our CO_2 EOR flood region which included one producer and three WAG ("Water Alternating Gas") injection wells. Given recency of the completions, all wells are in various stages of being brought into service.

In the Southern business unit, a regional Glauconitic development well has just been drilled with the planned fracture stimulation scheduled for next week. Cardinal is now preparing to drill a well into a potentially exciting new play concept which could have regional implications where Cardinal already holds a significant land position throughout.

OUTLOOK

In the first quarter of 2026, Cardinal made the decision to sanction its second SAGD project in the face of a challenging crude oil price environment, having confidence the long-term benefits of this project for shareholders would justify a temporary increase in our financial leverage profile. Since that time, crude oil price tailwinds have not only allowed us to expand the scope of Reford 2 to a nameplate capacity of 6,000 bbl/d (from 4,250 bbl/d) and execute an appropriate-sized conventional budget, but it has also left the Company with far less financial leverage/net debt than originally anticipated.

With another step-change in forecasted production growth only a year away and having the benefit of a financially flexible balance sheet, Cardinal is well positioned to be able to execute on its long list of high quality, high return capital projects that it can elect to accelerate in a supportive oil price environment. These projects include the next SAGD project at Kelfield, while also continuing to build out new thermal prospects, conventional asset inventory and expanding our enhanced oil recovery footprint.

As oil prices remain highly volatile amidst heightened geopolitical concerns at present, shareholders can expect Cardinal's 2027 budget to be announced once greater clarity on the crude pricing outlook becomes apparent.

On behalf of the Board of Directors, management and employees, we would like to thank our shareholders as we appreciate their continued support.

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: the Company's drilling program is forecasted to have conventional production volumes growing through the latter stages of 2026 and into 2027; an anticipated step change in production volumes in the next 12 months; that two sustaining well pairs for Reford 1 will be completed and introduced to first steam, in mid-2027; that the Company will deliver first steam to Reford 2 in the summer of 2027; that construction for Reford 2 will begin in early December; drilling plans and anticipated results in the Southern business unit; matters set forth under "Outlook" including that the Company is well positioned to be able to execute on its long list of high quality, high return capital projects, that it can continue to accelerate in a supportive oil price environment, including the next SAGD project at Kelfield, while also continuing to build out new thermal prospects, conventional asset inventory and expanding our enhanced oil recovery footprint.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal (including those specifically set forth above) and also concerning anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices and exchange rates, project development costs, effects of inflation, that in respect of tariffs that have been publicly announced by the U.S. and Canadian governments (but which are either in effect or not yet in effect and otherwise delayed), the potential impact of such tariffs, and that other than the tariffs that have been announced, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, or imposes new tariffs, on the import of goods from one country to the other, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other; 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, that Cardinal will complete its capital budget in the manner as currently contemplated, 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; the risk that (i) the U.S or Canadian governments increases the rate or scope of the currently implemented or proposed and announced tariffs, or imposes new tariffs on the import of goods from on the import or export of products from one country to the other, and (ii) the tariffs imposed by the U.S. on other countries and responses thereto could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the oil and gas industry and the Company; effects of hostilities in the Middle East and elsewhere; the ability of the Company's service providers to provide

contracted services in a timely, competent and efficient manner; 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.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

This news release includes references to 2026 and 2025 production. The Company discloses crude oil production based on the pricing index that the oil is priced off. 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)
Q3/2026	39%	50%	3%	8%	25,127
Q3/2025	48%	37%	4%	11%	20,772
Nine months/2026	38%	51%	3%	8%	25,567
Nine months/2025	48%	37%	4%	11%	21,316

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 FINANCIAL 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		Nine months ended	
	Sept 30, 2026	Sept 30, 2025	**Sept 30, 2026**	Sept 30, 2025
Operating expenses	**51,262**	47,148	**150,962**	142,067
Less: Processing and other revenue	**(1,107)**	(1,184)	**(3,578)**	(3,506)
Net operating expenses	**50,155**	45,964	**147,384**	138,561

Netback

Cardinal utilizes netback as a 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		Nine months ended	
	Sept 30, 2026	Sept 30, 2025	**Sept 30, 2026**	Sept 30, 2025
Petroleum and natural gas revenue	**215,614**	127,021	**613,901**	404,166
Royalties	**(35,164)**	(24,050)	**(99,253)**	(77,437)
Net operating expenses	**(50,155)**	(45,964)	**(147,384)**	(138,561)
Transportation expenses	**(4,892)**	(1,487)	**(14,883)**	(5,286)
Netback	**125,403**	55,520	**352,381**	182,882

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, exploration and evaluation ("E&E") expenditures and E&E acquisitions.

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

	Three months ended		Nine months ended	
	Sept 30, 2026	Sept 30, 2025	**Sept 30, 2026**	Sept 30, 2025
Cash flow from investing activities	**46,073**	42,052	**141,711**	199,460
Change in non-cash working capital	**14,814**	5,852	**29,633**	(12,672)
Exploration and evaluation expenditures	**(478)**	(21,232)	**(8,778)**	(128,588)
Exploration and evaluation acquisitions	**-**	-	**-**	(5,000)
Capital expenditures	**60,409**	26,672	**162,566**	53,200
Less:				
Capitalized G&A	**(710)**	(310)	**(2,679)**	(1,287)
Other assets	**137**	(52)	**(51)**	169
(Acquisitions)	**-**	-	**(4,834)**	-
Development capital expenditures	**59,836**	26,310	**155,002**	52,082

Adjusted working capital deficiency

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 deficiency to adjusted working capital deficiency:

As at	**Sept 30, 2026**	Sept 30, 2025
Working capital deficiency	**51,003**	60,227
Less current portion of:		
Lease liabilities	**1,959**	1,853
Decommissioning obligation	**5,634**	7,967
Fair value of financial instruments, net	**(1,267)**	(1,049)
Adjusted working capital deficiency	**44,677**	51,456

Net debt

Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as bank debt plus debentures and adjusted working capital.

The following table reconciles bank debt to net debt:

As at	**Sept 30, 2026**	Sept 30, 2025
Bank debt	**9,406**	111,042
Debentures	**100,858**	99,757
Adjusted working capital deficiency	**44,677**	51,456
Net debt	**154,941**	262,255

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, capital expenditures, E&E expenditures and shareholder returns. 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		Nine months ended	
	Sept 30, 2026	Sept 30, 2025	**Sept 30, 2026**	Sept 30, 2025
Cash flow from operating activities	**98,972**	55,489	**259,497**	163,329
Change in non-cash working capital	**12,651**	(11,739)	**28,941**	(10,259)
Funds flow	**111,623**	43,750	**288,438**	153,070
Decommissioning expenditures	**6,127**	3,566	**13,137**	5,911
Adjusted funds flow	**117,750**	47,316	**301,575**	158,981
Development capital expenditures	**(59,836)**	(26,310)	**(155,002)**	(52,082)
Free cash flow	**57,914**	21,006	**146,573**	106,899

NON-GAAP FINANCIAL RATIOS

Netback per boe

Cardinal utilizes operating netback per boe to assess the Company'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		Nine months ended	
	Sept 30, 2026	Sept 30, 2025	**Sept 30, 2026**	Sept 30, 2025
Petroleum and natural gas revenue	**93.27**	66.47	**87.95**	69.45
Royalties	**(15.21)**	(12.59)	**(14.22)**	(13.31)
Net operating expenses	**(21.70)**	(24.05)	**(21.12)**	(23.81)
Transportation expenses	**(2.12)**	(0.78)	**(2.13)**	(0.91)
Netback per boe	**54.24**	29.05	**50.48**	31.42

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, E&E 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.

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 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, capital expenditures, E&E expenditures and shareholder returns 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, capital expenditures, E&E expenditures and shareholder returns 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, capital expenditures, E&E expenditures and shareholder returns 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.

INITIAL PRODUCTION

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Cardinal.

MARKET, INDEPENDENT THIRD PARTY AND INDUSTRY DATA

Certain market, independent third party and industry data, including for comparison purposes, contained in this news release is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but Cardinal has not conducted its own independent verification of such information. This news release also includes certain data derived from independent third parties. While Cardinal believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Cardinal has not independently verified any of the data from independent third-party sources referred to in this news release or ascertained the underlying assumptions relied upon by such sources.

ABOUT CARDINAL ENERGY LTD.

Cardinal is a Canadian oil and natural gas production company with operations focused on low decline sustainable oil production in Western Canada. The Company's portfolio of conventional and SAGD projects offers a complimentary low decline, long life resource base that is ideally suited to sustain our commitment to meaningful dividend returns to shareholders.

For further information:
Shawn Van Spankeren, CFO, Laurence Broos, VP Finance or Cody Kwong, Manager Business Development
Email: info@cardinalenergy.ca
Phone: (403) 234-8681
Website: www.cardinalenergy.ca

