Pine Cliff Energy Ltd.

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Company Profile

December 22, 2025

Management

Philip Hodge, President & CEO
Terry McNeill, COO
Kristopher Zack, CFO
Daniel Keenan, VP – Exploitation
Austin Nieuwdorp, VP – Finance

www.pinecliffenergy.com

EPG Commentary by Dan Steffens

Pine Cliff Energy Ltd. (PNE.TO and PIFYF) is a Canadian junior energy company that has recently been included in our Small-Cap Growth Portfolio. Specializing in natural gas production, Pine Cliff operates primarily in Alberta and Saskatchewan. The inclusion in the portfolio reflects its substantial growth potential within four prominent oil and gas plays in Western Canada. This investment may be of particular interest to those who anticipate an improvement in AECO gas prices.

Based on my forecast, Adjusted Operating Cash Flow should be $25 to $26 Canadian million in 2025, which compares to Pine Cliff's 2025 capital expenditures on $20 million. Free cash flow is sufficient to cover the monthly dividends. Operating cash flow and sales proceeds from non-core asset sales should fund the Company's drilling program that began in Q4 2025 through 2026.

Total production was 20,376 Boepd in Q3 (expected to increase to 21,000 Boepd in Q4)

- Production mix in the 3rd quarter was 81.4% natural gas, 12.3% NGLs and 6.3% crude oil
- Realized prices in $Canadian dollars, including cash settlements on hedges were:
    - Q1 2025: $2.90/mcf for natural gas, $43.03/bbl for NGLs and $86.83/bbl for oil
    - Q2 2025: $2.48/mcf for natural gas, $35.94/bbl for NGLs and $79.13/bbl for oil
    - Q3 2025: $2.30/mcf for natural gas, $37.54/bbl of NGLs and $78.78/bbl of oil
    - Pine Cliff's hedging program will continue to lower the Company's commodity price risk.

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Pine Cliff's free cash flow this year has allowed it to continue paying monthly dividends. Annualized yield based on the share price as of the date of this report was 1.8%. *< If natural gas prices do move over $3.50Cdn/MMBtu in Western Canada, I expect Pine Cliff to increase their dividends.*

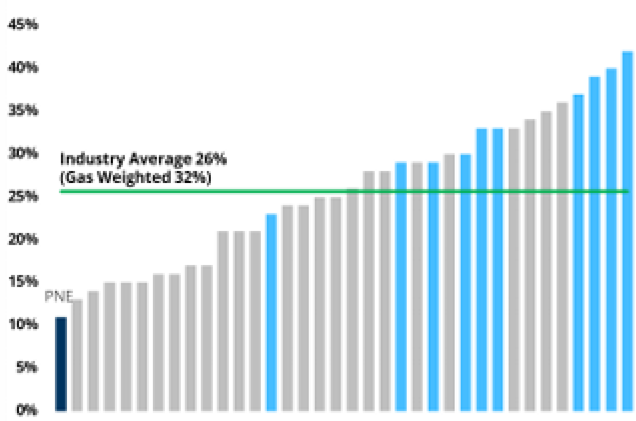
Pine Cliff announced a 25-year deal to supply natural gas to a private data centre in Central Alberta. The data centre will be supplied with Pine Cliff's gas, with pricing tied to NYMEX.

CORPORATE SNAPSHOT

Issued & Outstanding (1)	358.8 million
Share Price (Nov 4, 2025)	$0.73
Market Cap	$261.9 million
Dividends Distributed(2)	$103.7 million
Insider Ownership(3)	14% (17% fully diluted)
Tax Pools (Dec 31/24)	~$352mm

(1) As at Nov 4, 2025
(2) As at Nov 4, 2025. Reflects cumulative distributions since initiation in June 2022.
(3) Insiders include the Alberta Investment Management Corporation (AIMCO) and the officers and directors of Pine Cliff.

LOW DECLINE: A KEY DIFFERENTIATOR



Source: Peters & Co. Limited (September 2025)

In addition to anticipated increases in natural gas prices, further catalysts expected to drive the share price higher in 2026 include outcomes from the Q4 2025 drilling program and the announcement of additional long-term contracts to supply natural gas to AI Data Centers under construction in Western Canada. *< One such supply contract for an AI Data Center has already been executed.*

Rising demand for space heating during the 2025/2026 winter season, together with a notable increase in LNG exports projected for both the United States and Canada in 2026, is likely to strengthen North American natural gas markets.

EIA Short-Term Energy Outlook released December 9, 2025

"An early December cold snap is putting upward pressure on natural gas prices. The Henry Hub spot price in our forecast averages around $4.30 per million British thermal units (MMBtu) this winter heating season (November–March), 22% higher than last winter. We raised our forecast for prices this winter by more than 40 cents/MMBtu on average compared with last month's STEO, largely because early December has been colder than we assumed in last month's STEO, leading us to raise our estimate of natural gas used for space heating.

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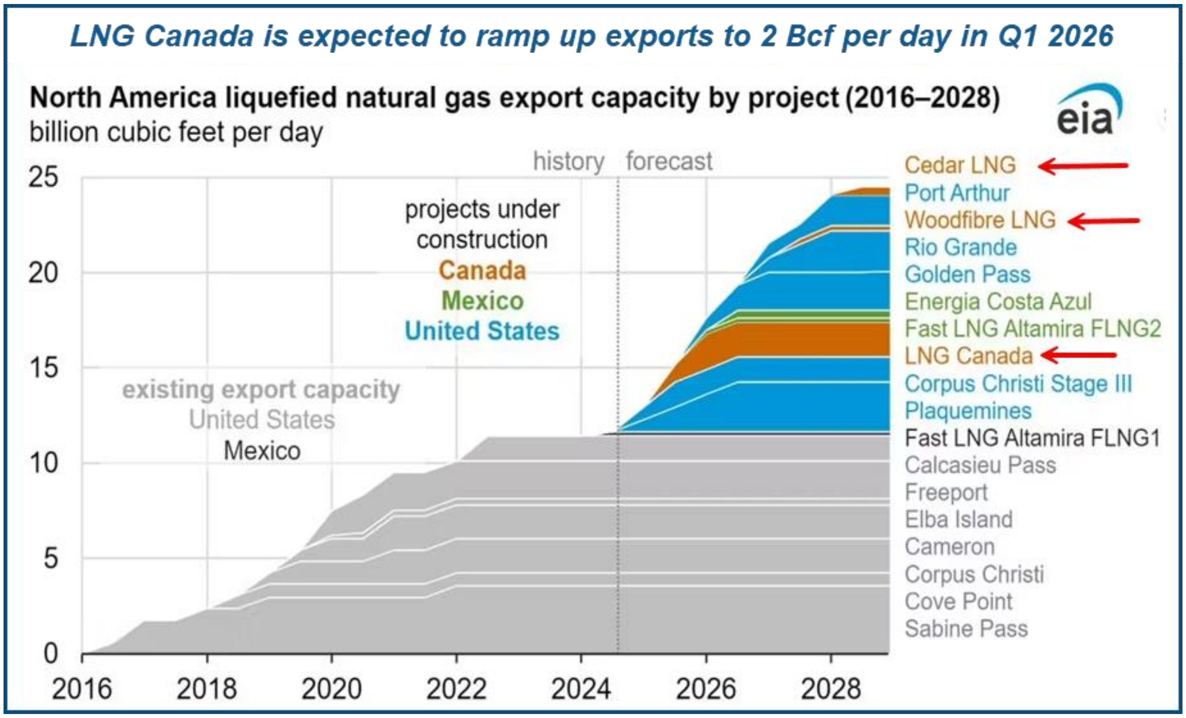
Based on data from the National Oceanic and Atmospheric Administration, we assume December will have 8% more heating degree days (HDDs) than the 10-year average, and 7% more HDDs than we assumed in last month's forecast. Because of the colder weather, we now forecast the residential and commercial sectors will consume 6% more natural gas in December than we forecast last month, reducing the amount of natural gas held in storage. The United States entered the winter heating season with 4% more working natural gas in storage than the previous five-year (2020–2024) average. We expect inventory withdrawals will be 580 billion cubic feet (Bcf) this December, 28% more than the five year average withdrawal for the month. We forecast U.S. natural gas inventories will end the winter at 2,000 Bcf, 9% above the five-year average.

*Rising production helps moderate natural gas prices next year. **We expect the Henry Hub spot price to average almost $4.50/MMBtu in 4Q26**, down 5% from last month's forecast. U.S dry natural gas production in our forecast averages 109 billion cubic feet per day (Bcf/d) in 2026, up 1% from this year. We raised our forecast for U.S. natural gas production compared with the November STEO after we updated our assumptions about natural gas-to-oil ratios (GORs). Specifically, we raised our expectations of GORs in the Permian region based on recent production trends, leading to more overall natural gas production in our forecast for 2026."*



My Fair Value Estimate for PNE.TO is $1.00Cdn/share ($0.73US/share)

Compares to First Call's Price Target of $0.93Cdn/share

Disclosure: I have a long position in PIFYF. I do not intend on buying or selling any shales in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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Pine Cliff Energy Ltd. is a public company actively engaged in the exploration, development and production of natural gas, crude oil and natural gas liquids. It trades on the TSX as PNE and PIFYF on the OTCQX.

Pine Cliff prides itself on its employees, led by a management team with decades of experience in the exploration, development and production of oil and natural gas. Since 2012, the Company has grown from 100 barrels of oil equivalent per day (Boepd) to over 20,000 Boepd. Pine Cliff has grown by quickly executing counter-cyclical acquisitions, and has assembled a unique asset base with one of the lowest production decline rates in the public oil and gas sector.

The low decline rate affords Pine Cliff the ability to manage production with modest capital programs, drilling few of its low-risk drilling opportunities. Pine Cliff's asset structure gives investors the opportunity to participate in the Canadian natural gas market, with surplus cash flow being paid to shareholders in the form of monthly dividends.

With a high percentage of insider ownership, Pine Cliff's decisions have always been in-line with its shareholders, and it will continue to execute with one goal in mind - to maximize shareholder value.

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REASONS TO BUY

DISCIPLINED CAPITAL ALLOCATION	MANAGED BALANCE SHEET	LEVERAGE TO CANADIAN NATGAS	HIGH INSIDER OWNERSHIP	LOW PRODUCTION DECLINE
Reallocating capital to support development of attractive drilling inventory while maintaining a dividend to shareholders. Pine Cliff has paid > $100 million in dividends since June 2022.	Continues to pay down term debt to manage balance sheet. Term debt was $42.2 million outstanding as of Sept 30, 2025, down from $49.2 million on December 31, 2024.	Significant leverage to Western Canadian gas prices provides exposure to strengthening natural gas fundamentals.	AIMCo, one of the largest institutional investors in Canada, is Pine Cliff's largest shareholder and owns over 10% of the company's equity; senior management and directors own 4% of the company.	Production decline rate of < 10% is one of the lowest among all Canadian public producers; provides flexibility in the deployment of capital for reinvestment.

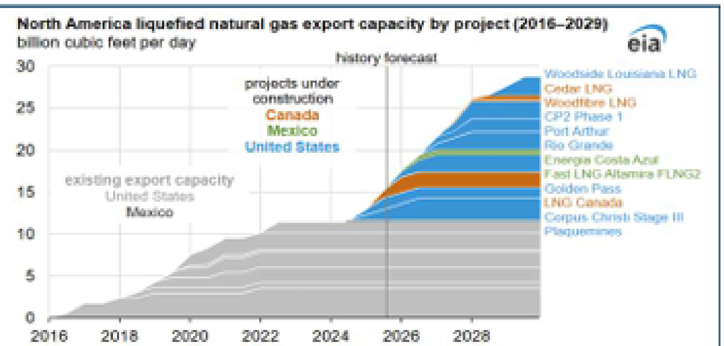
LONG TERM BULLISH NATURAL GAS ENVIRONMENT

Since 2016, natural gas is the primary energy source in North America for power demand.

North American LNG exports are at record levels and are expected to double by 2030 from 2025 levels.

Shareholder returns are being balanced with disciplined growth projects across the energy sector.

Rising global energy demand is accelerating the demand for natural gas and LNG.



Business Strategy

Pine Cliff's commitment to their investors and stakeholders is to always maximize their returns on their investment and to keep their trust. High integrity in all operations and full transparency throughout start to finish is paramount.

Pine Cliff has:

- A <10% decline rate, keeps production flat
- Higher percentage of its cash flow can be returned to investors
- Ethical energy focus
- Well disciplined approach
- Consistent, long term, stable company that maximizes returns
- Deal opportunities that can be significantly leveraged
- Long Life Assets

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The Company’s highly disciplined approach allows management to identify truly valuable long-life assets that have low decline rates and low operational risk, maximizing investors’ risk-reward ratio.

Share Value: In this strong, competitive environment, we make sure to use prudent judgement and remain disciplined on every investment decision, whether that is an acquisition or project relating to our operations.

Income Stream: High quality assets lead to high quality income streams. Significant free cash flow (FCF) is generated from all of our low-operational cost projects that yield meaningful value.

SIGNIFICANT CANADIAN GAS LEVERAGE (C$/mcf)

Sorted by Market Cap.	2026E Sensitivity			
	% Change in Cash Flow		% Change in Adjusted Income	
Ticker	+C$1.00/Mcf AECO	+US$1.00/Mcf All Hubs	+C$1.00/Mcf AECO	+US$1.00/Mcf All Hubs
EQT	0%	33%	0%	52%
TOU	10%	23%	24%	57%
CTRA	0%	21%	0%	41%
ARX	5%	16%	14%	44%
AR	0%	32%	0%	53%
TPZ	7%	11%	7%	11%
PEY	-3%	11%	-6%	23%
POU	8%	15%	40%	69%
VET	12%	20%	57%	96%
BIR	13%	42%	38%	121%
KEL	14%	25%	78%	140%
SDE	10%	14%	57%	79%
LGN	10%	14%	113%	158%
PNE	49%	67%	191%	>200%
YGR	15%	20%	>200%	>200%
Median	9%	20%	31%	63%

Source: Peters & Co. Limited estimates Notes: (1) Natural gas producers defined as current production >50% natural gas. (2) Strip pricing AECO of ~C$3.23/Mcf and NYMEX of US$4.18/Mcf. (4) Currently restricted on AAV, KEC, NVA and OVV.

Pine Cliff is well positioned to benefit from improved Western Canadian (AECO) gas prices in 2025 and beyond

- Rising Western Canadian demand expected to support higher AECO gas prices in 2026 and 2027.
- Current AECO strip prices ~ C$2.96/mcf for 2026 and 2027 compared to an average of C$1.49/mcf for the first nine months of 2025.
- PNE has significant cash flow leverage to AECO gas prices; with a $0.10/mcf move in AECO gas resulting in a ~$3.4m change in AFFO.[1]

(1) See 3Q25 MD&A for details

2024 Highlights

- Adjusted funds flow was $38.0 million ($0.11/share) in 2024 versus $58.7 million ($0.17/$0.16 per share) in 2023.
- Production averaged 22,738 Boepd (Q4) and 23,248 Boepd (full year) in 2024, up 6% and 13% from 2023.
- Dispositions generated $10.5 million in 2024, mainly from a non-operated gas infrastructure sale.
- Capital expenditures totaled $8.9 million, including $6.4 million for abandonment/reclamation and $2.5 million for maintenance; no new wells completed. *< No new wells completed in 2025 as well.*
- Dividends paid were $5.4 million (Q4) and $25.6 million (2024), down from $11.6 million and $46.0 million in 2023; monthly dividends reduced to $0.00125/share in 2025 for funding future drilling.
- Net loss was $5.6 million (Q4) and $21.4 million (2024), compared to net income of $0.8 million (Q4) and $9.1 million (2023); *Pine Cliff remained free cash flow positive in 2023, 2024, and first nine months of 2025*.

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Reserves as of December 31, 2024

Pine Cliff's independent reserve report (the "Report") was prepared by McDaniel & Associates Limited ("McDaniel") in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

- Net present value for proved plus probable ("P+P") reserves of $548.1 million, discounted at 10%, an increase of $71.3 million, or 15%, from December 31, 2023, primarily as a result of the extensions, improved recoveries and lower lease operating expenses, all offsetting the impact of lower natural gas benchmark pricing;
- Pine Cliff increased its 2024 P+P reserves by 13.5 MMBoe4 prior to adjusting for 2024 production, representing a reserve replacement ratio of 158%. 15.1 MMBoe was added by extensions, improved recoveries and lower operating expenses;
- Remaining P+P reserves of 94.1 MMBoe5 (70% conventional natural gas and coal bed methane) at December 31, 2024 increased 5.5% from 89.2 MMBoe at December 31, 2023 a result of the extensions, improved recoveries and lower lease operating expenses; and

Summary of Remaining Working Interest Reserves, as of December 31, 2024

Reserve Category	Oil[1,2]	Natural Gas Liquids	Conventional Natural Gas	Coal Bed Methane	Oil Equivalent
	MBbl	MBbl	MMcf	MMcf	MBoe
Proved					
Developed Producing	3,108.1	6,743.0	217,513.4	16,760.5	48,896.8
Undeveloped	1,140.8	4,284.4	33,011.4	-	10,927.1
Total Proved	4,248.9	11,027.5	250,524.8	16,760.5	59,823.9
Probable	2,434.8	10,246.4	125,046.1	4,652.8	34,297.7
Total Proved plus Probable	**6,683.7**	**21,273.9**	**375,570.9**	**21,413.2**	**94,121.6**

Summary of Net Present Values of Future Net Revenue, Before Income Taxes, as of December 31, 2024

	Discounted at (% per year)				
($ millions)	0%	5%	10%	15%	20%
Reserve Category[1]					
Proved					
Developed Producing	(78.5)	216.7	229.8	206.9	183.4
Undeveloped	187.2	108.7	67.2	43.2	28.2
Total Proved	108.7	325.4	297.0	250.1	211.5
Probable	645.4	381.3	251.1	177.4	131.3
Total Proved plus Probable	**754.1**	**706.7**	**548.1**	**427.5**	**342.9**

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Third Quarter 2025 Results

- Generated $5.7 million ($0.02 per basic and fully diluted share) and $22.1 million ($0.06 per basic and fully diluted share) of adjusted funds flow for the three and nine months ended September 30, 2025, compared to $8.1 million ($0.02 per basic and fully diluted share) and $29.4 million ($0.08 per basic and fully diluted share) for the same periods in 2024 *< Despite low natural gas prices, Pine Cliff has remained free cash flow positive in 2025. Operating cash flow has funded dividends and all capital expenditures*.
- Reported a net loss of $6.0 million ($0.02 per share basic and fully diluted) and $15.9 million ($0.04 per share basic and fully diluted) for the three and nine months ended September 30, 2025, compared to net loss of $6.9 and $15.8 million for the same periods in 2024
- Production averaged 20,376 Boe/d and 20,962 Boe/d for the three and nine months ended September 30, 2025
- Generated $5.7 million ($0.02 per basic and fully diluted share) and $22.1 million ($0.06 per basic and fully diluted share) of adjusted funds flow for the three and nine months ended September 30, 2025
- Reduced net debt by $3.7 million or 6% to $58.6 million on September 30, 2025 down from $62.3 million on December 31, 2024
- Paid dividends of $1.3 million ($0.004 per basic and fully diluted share) and $8.1 million ($0.023 per basic and fully diluted share) during the three and nine months ended September 30, 2025, raising the cumulative dividend total since 2022 inception to $103.2 million
- Capital expenditures totaled $2.5 million and $6.1 million for the three and nine months ended September 30, 2025.

PRESIDENT'S MESSAGE TO SHAREHOLDERS

"Summer 2025 AECO prices were challenged with high storage levels and frequent pipeline maintenance projects that curtailed production. Pine Cliff's significant hedge position and operational flexibility minimized the impact of these low prices on our company.

Earlier today (November 5) we announced an agreement to sell properties in our Central area for gross proceeds of $15 million. This disposition is expected to close before year-end. The production impact is limited, with these properties accounting for approximately 485 Boe/d or 2.3% of total production in the first nine months of the year. The properties sold will include a portion of our land that is prospective for Basal Quartz (BQ) drilling, a play that we have been monitoring closely. This area has seen increased drilling activity in the past few years and as a result, interest in the undeveloped potential on our land base has risen. While we understand the economics of the drilling in this area is attractive, we did not rank the lands that we have agreed to sell ahead of our Sundre area drilling locations on a total risk/return basis. As a result, we did not expect to drill the BQ locations within the next few years, and therefore it made sense for us to monetize these assets to support the exploitation of our higher ranked drilling locations.

We also believe that continued industry activity could help confirm other Pine Cliff BQ locations on land that we have retained in this area.

Disciplined Capital Spending: *While Pine Cliff waited for the improvement of gas prices, we remained disciplined with our 2025 capital program, with total capital spending of $6.1 million in the first nine months of the year, mostly related to maintenance. We also spent $3.7 million on abandonment and reclamation activities. With the improved forward strip natural gas prices, and after an over two-year pause,* ***we are planning to resume our development activity with commencement of our glauconite drilling program****. Pine Cliff has over 18 net glauconite well locations, and our team has prepared to commence a program that will bring these locations on production over the coming years. Due to the expected timing of the initial drill,* ***we are reducing our 2025 capex budget to $20 million from $23.5 million****, with a portion of that reduced capital spending now expected to occur in 2026.*

Pine Cliff's hedging and internal market diversification strategies have again proven effective. Pine Cliff realized an average natural gas price of C$2.21/Mcf, representing a 245% premium to the AECO Daily 5A average price of C$0.64/Mcf in the third quarter. Over the first nine months of 2025, Pine Cliff's realized price of C$2.53/Mcf represents a 70% premium to the AECO Daily 5A price of C$1.49/Mcf." - Phil Hodge, CEO

Pine Cliff has an attractive drilling inventory with short payouts and strong IRR's

		GLAUCONITE	ELLERSLIE	PEKISKO
DCE&T Costs ($mm)	($mm)	$9.0	$5.0	$4.1
2P Reserves[2] (Mboe)	(mboe)	1,230	1,005	310
IP 365 (boe/d)	(boe/d)	1,266	543	184
Percent Liquids	(%)	48	44	48
Payout[1] (years)	(years)	1.0	1.0	2.4
P/I[1]	(x)	2.2	3.3	1.7
IRR[1]	(%)	107	108	34
NPV (10 $mm)	($mm)	$10.6	$8.6	$2.3
Gross (Net) Locations	(count)	25 (18.4)	27 (18.0)	37 (34.7)

(1) Assumptions: US$60.00/bbl WTI oil price Cdn$3.00/GJ AECO natural gas price (2) 2P Reserves per McDaniel

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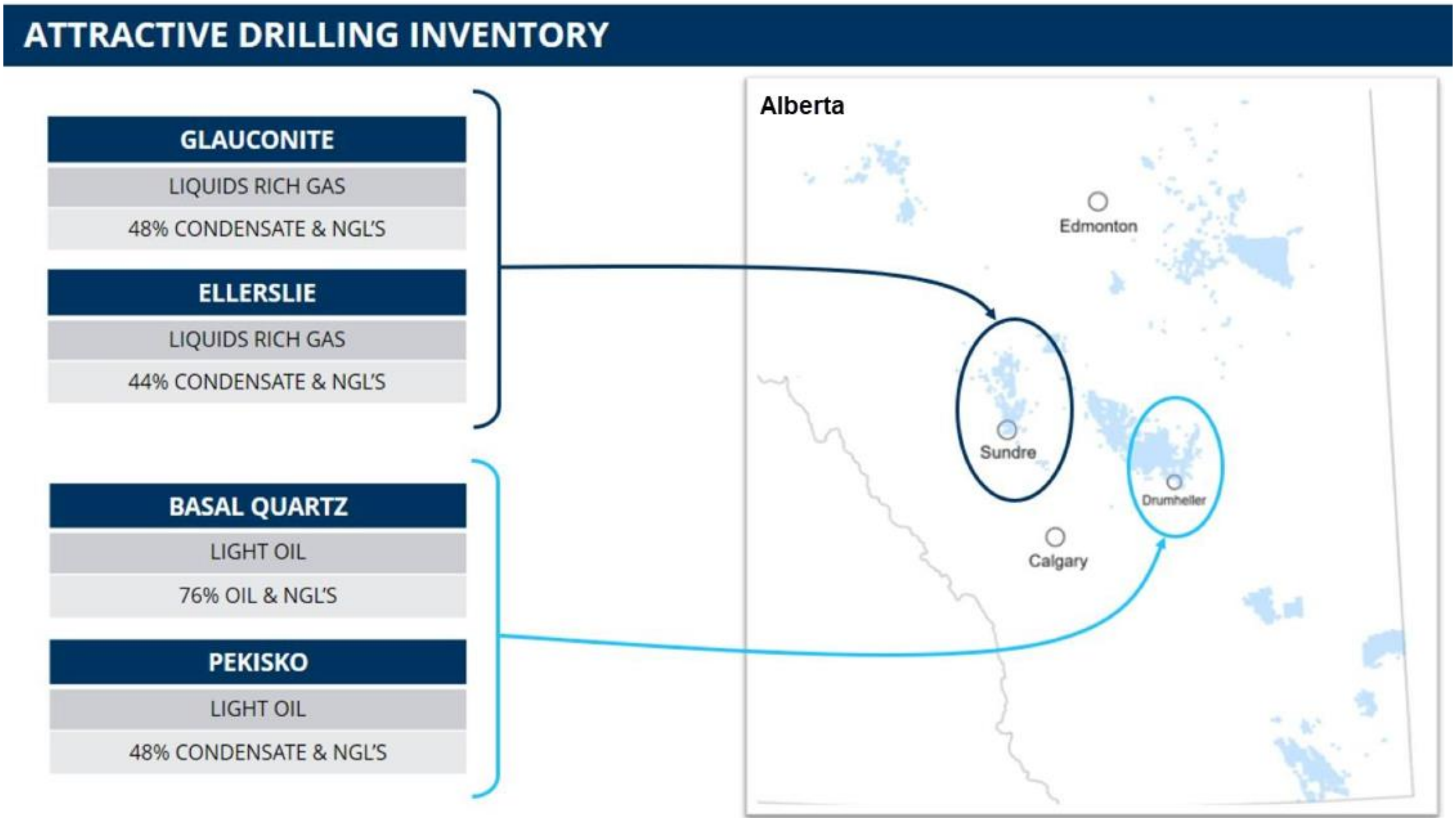
Update December 22nd: Pine Cliff has drilled a Glauconite well (100% WI) in December 2025 and they plan to complete it in January. If the well's results are close to the type curve (IP 365 of 1,266 Boepd with 48% liquids) they may drill another well Glauconite well in 2H 2026. At this time there are no plans to drill an Ellerslie well in 2026.



Outlook as of November 5

Structural improvements in natural gas demand in North America are now being reflected in the near-term natural gas price markets. As we enter the winter withdrawal season, AECO forward prices for 2026 have risen to $3.52 Cdn Mcf for Q1 2026.

The first train at LNG Canada continues to ramp up throughput and the second train of Phase 1 is now in the final stages of start-up. LNG Canada is expected to be exporting approximately 2 Bcf/d in early 2026, which will constitute over 10% of the entire current natural gas production in Canada. United States LNG exports set a record of 18 Bcf/d this fall, a 4 Bcf/d annual growth, with an additional 3 Bcf/d of US LNG growth expected in 2026.

In addition to these impressive North American LNG export numbers, technology companies are accelerating their announcements of data center capital spend to keep up with artificial intelligence use growth, which provides a further tailwind for natural gas demand in 2026.

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Hedging Update as of November 5, 2025

"My forecast for 2026 is that Pine Cliff's production will increase to 24,000 Boepd with a mix of approximately 77% natural gas, 13% NGLs and 10% crude oil." **– Dan Steffens**

Natural Gas – Fixed and Premium Contracts

Term	Delivery Point	Volume (GJ/d)	Fixed Sale Price ($C/Mcf)
October 1, 2025 to October 31, 2025	AECO	15,000	$2.67
October 1, 2025 to December 31, 2025	AECO	16,123	$3.27
October 1, 2025 to October 31, 2026	AECO	7,500	$2.63
October 1, 2025 to December 31, 2026	AECO	2,500	$3.06
October 1, 2025 to June 30, 2027	AECO	5,000	$2.93
October 1, 2025 to March 31, 2026	AECO	2,500	$2.26
January 1, 2026 to February 28, 2026	AECO	8,398	$3.76
January 1, 2026 to December 31, 2026	AECO	7,500	$3.19
April 1, 2026 to October 31, 2026	AECO	5,000	$3.05
November 1, 2026 to March 31, 2027	AECO	5,000	$3.62
July 1, 2026 to June 30, 2027	AECO	5,000	$3.35
January 1, 2027 to December 31, 2027	AECO	5,000	$3.05
October 1, 2025 to March 31, 2026	AECO	5,000	$1.84 - $3.27
October 1, 2025 to October 31, 2025	TransGas	14,000	AECO 5A + 0.41/Mcf
November 1, 2025 to October 31, 2026	TransGas	13,500	AECO 5A + 0.38/Mcf
October 1, 2025 to October 31, 2025	DAWN	5,000	$3.92

Natural Gas – Derivative Contracts

Term	Basis	Quantity (GJ/d)	Contract Price ($C/Mcf)
October 1, 2025 to March 31, 2026	AECO	5,000	$2.20
October 1, 2025 to June 30, 2027	AECO	2,500	$2.93

Crude Oil – Fixed Contracts

Term	Contract Type	Volume (bbl/d)	Price ($USD/bbl)
October 1, 2025 to December 31, 2025	WTI Fixed Price	458	$67.83
October 1, 2025 to June 30, 2026	WTI Fixed Price	100	$60.76
October 1, 2025 to September 30, 2026	WTI Fixed Price	100	$65.51
January 1, 2026 to February 28, 2026	WTI Fixed Price	435	$66.60
January 1, 2026 to December 31, 2026	WTI Fixed Price	100	$64.25

2025 Capital Program announced April 2, 2025

Pine Cliff announced a 2025 capital spending program of approximately $23.5Cdn million. This includes $12.5 million dedicated to strategic drilling in its core Central Alberta area, with the balance allocated for facilities maintenance and asset retirement obligations. *< On November 5, 2025 the Company announced that 2025 capex was being reduced to $20 million since some well completion capex has been pushed into Q1 2026.*

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Reallocating Capital to Support Drilling Program

In 2024, Pine Cliff halted its development drilling program while Canadian gas prices were low and instead allocated capital to shareholders through dividend payments. Pine Cliff continuously reviews its capital allocation options, and with a highly economic inventory on its land base, the Company has decided to direct a portion of its adjusted funds flow in 2025 into asset development. Drilling is planned for the fourth quarter of 2025, and Pine Cliff expects to provide production guidance for 2025 later this year once the optimal use and timing of the development capital across its land base is determined.

As a result of Pine Cliff's shifting capital allocation, the dividend was reduced from $0.06 per share annually to $0.015 per share per year. **On September 2, 2025 Pine Cliff declared a monthly dividend of $0.00125 per common share** to be paid on September 29, 2025, to shareholders of record on September 15, 2025. This dividend and future dividends are expected to be designated as non-eligible dividends for Canadian income tax purposes. Since introducing the dividend in June 2022, Pine Cliff has allocated over $100 million in dividend distributions and will continue to balance near-term shareholder distributions with long-term shareholder returns. *< Monthly dividends are expected to remain at $0.00125 per share through 2025 and until AECO natural gas prices rebound to over $3.50Cdn/MMBtu. AECO Strip prices for DEC25 and Q1 2026 are back over $3.00Cdn/MMBtu as of the date of this report.*

Renewal and Extension of Debt Facilities announced June 2, 2025

Pine Cliff is pleased to announce it has finalized the renewal of its demand loan with a Canadian chartered bank at $15 million. The reduction to $12 million that was previously scheduled for May 31 has been eliminated.

The Company has also amended the agreement with its term debt holder to reduce its annual scheduled amortization payments to 7.5% of the initial principal balance from 15.0% previously, while also extending the maturity date on the facility to January 3, 2028. The dividend-linked amortization payments introduced in late 2024 have been eliminated.

Reasons to invest in Pine Cliff Energy Ltd.

Strong Demand for North American Natural Gas:

"In addition to rapidly increasing global demand for North America's LNG, rising demand for electricity from the expansion of artificial intelligence-focused data centers, crypto and electric hybrid vehicles are increasingly seen as supporting an extended period of power-gen development from all sources, including natural gas. AI and cloud computing are accelerating U.S. electricity demand, with data center needs expected to increase from 10 GW in 2024 to over 60 GW by 2035. Natural gas will be essential for power generation." **– Rystad Energy**

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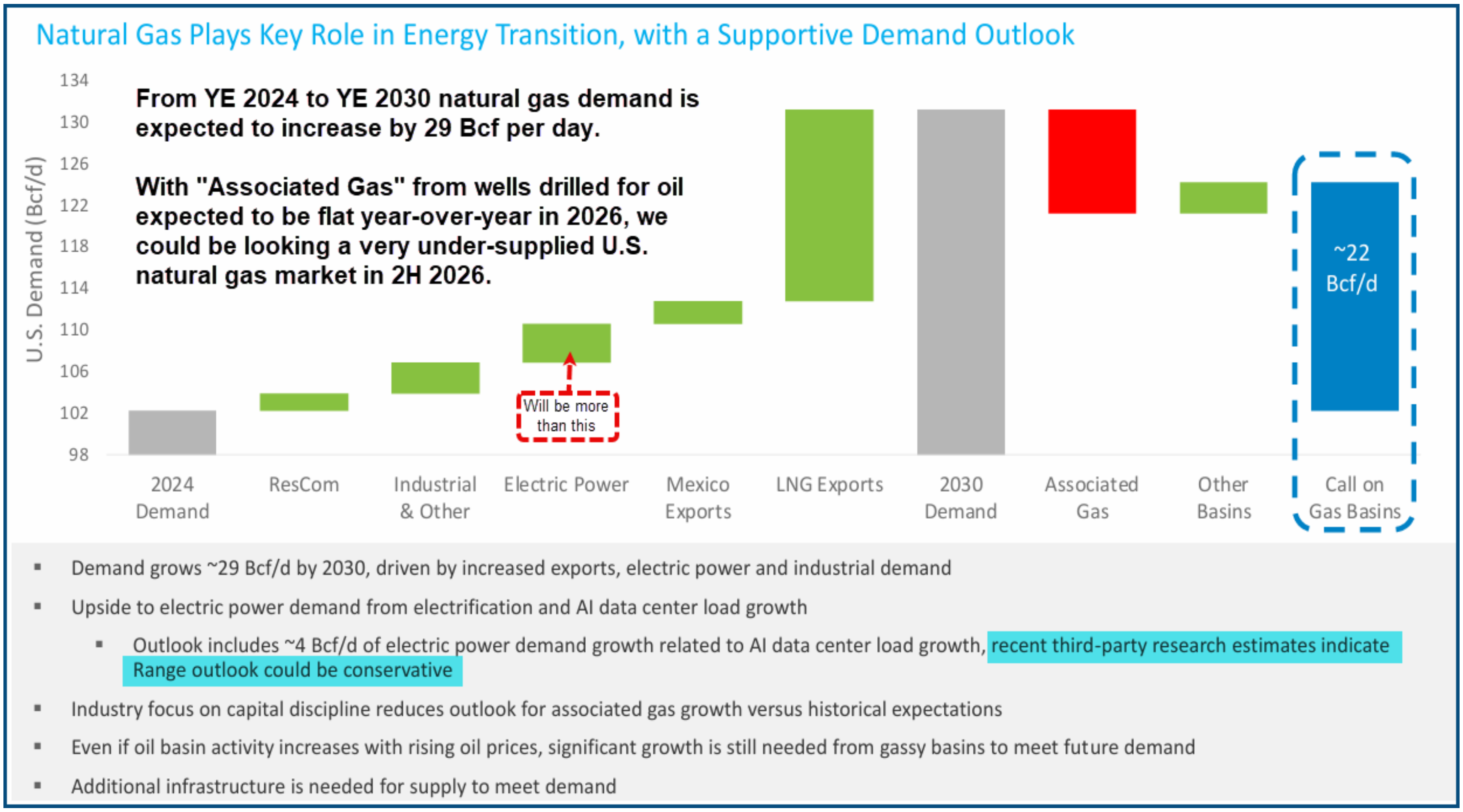


Disciplined Capital Allocation: Given strength of development inventory, Pine Cliff recently allocated cash flow to fund a $20 million capital program in 2025, while maintaining monthly dividend payments to shareholders. Pine Cliff has returned $100 million in the form of dividends to shareholders since June 2022.

Managed Balance Sheet: Continues to pay down term debt to manage the balance sheet. Term debt was $42.3 million outstanding as of September 30, 2025, down from $49.9 million on December 31, 2024.

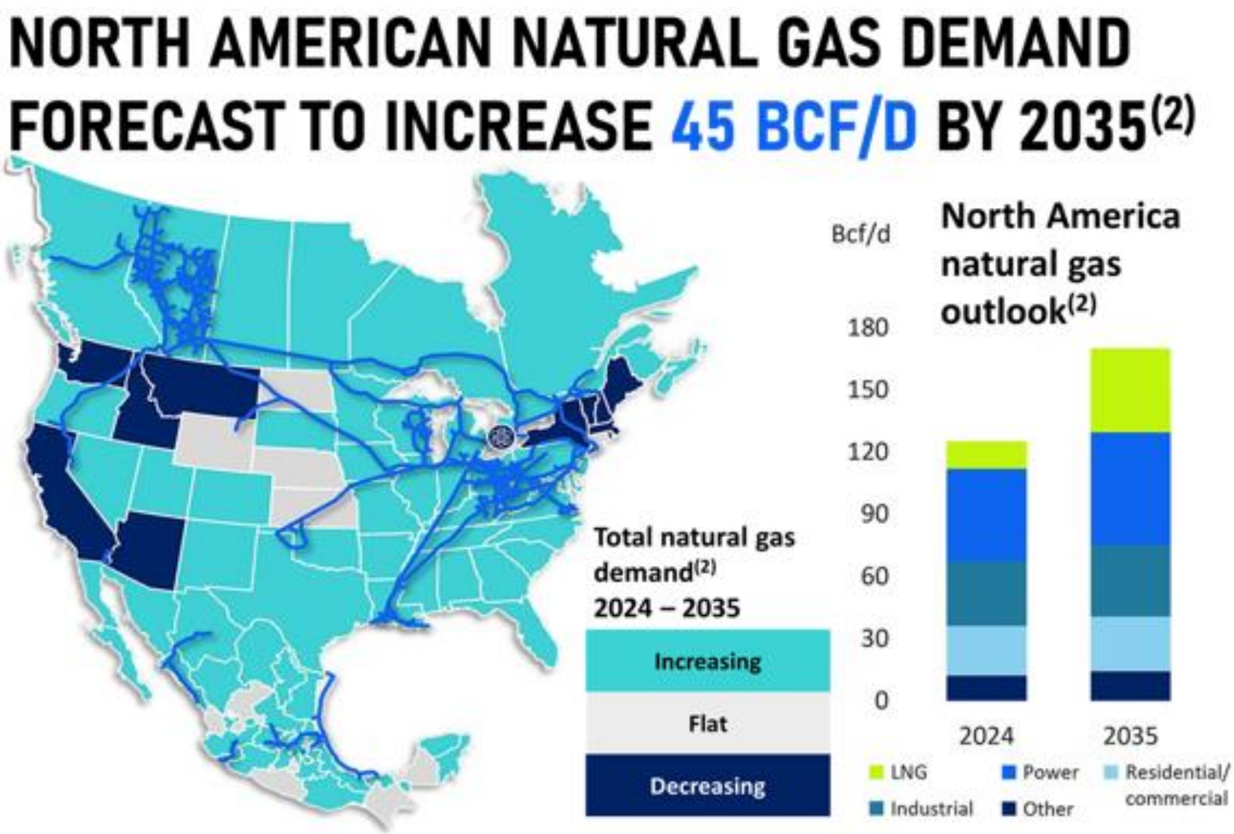
Leverage to Canadian Natural Gas Prices: Significant leverage to Western Canadian AECO gas prices provides exposure to improving energy and natural gas fundamentals in Western Canada with the first of LNG Canada shipments started in July 2025 and growing energy demand globally. *Global LNG demand is forecast to exceed available supply by 2027, creating opportunities for new projects. While current LNG developments will contribute to supply growth, Shell expects that additional capacity will be needed post-2030. Canada and the U.S. are well-positioned to capitalize on this emerging supply gap, as Asian and European demand remains strong.*

Higher Inside Ownership: AIMCo, one of the largest institutional investors in Canada, is Pine Cliff's largest shareholder and owns over 10% of the company's equity; senior management and directors own 4% of the company.

Pine Cliff Energy Ltd.

Low Production Decline Rate: Production decline rate of < 10% is one of the lowest among all Canadian public producers (32% natural gas-weighted industry average). Reduces capital requirements, provides significant flexibility around reinvestment into the business and increases free cash flow compared to peers.

High-Quality Running Room in Central Alberta; Pine Cliff has an attractive inventory of development drilling locations that have short payouts and strong rates of return on investment. < 2H 2025 and 2026 drilling programs will focus on Glauconite and Ellerslie, because of the higher IRRs.



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Pine Cliff Energy Ltd.

Company Profile

Net Income and Cash Flow Forecast Model

December 22, 2025

Pine Cliff Energy Ltd. (PNE.TO and PIFYF)										
Net Income and Cash Flow 2023 - 2026 (updated 12/22/2025)										
($Thousands in Canadian Dollars)			*Canadian Dollars*							
	Actual 2023	**Actual 2024**	**Actual Qtr1 2025**	**Actual Qtr2 2025**	**Actual Qtr3 2025**	**Forecast Qtr4 2025**	**Forecast Year 2025**	**Forecast 2026**	**Forecast 2027**	
REVENUES:										
Oil and natural gas sales	$188,852	$190,118	$49,478	$41,850	$38,204	$44,243	$173,775	$232,948	$318,999	
Royalties	(19,963)	(15,426)	(4,882)	(3,748)	(2,347)	(3,097)	(14,074)	(23,295)	(38,280)	< 7% in Q4 2025 to 10% in 2026
Processing and gathering	5,159	5,509	1,394	1,503	1,392	1,500	5,789	6,000	7,000	
Realized gain (loss) on hedges					834		834			
Unrealized gain (loss) on hedges					(478)		(478)			
Interest income / gain (loss) on hedges in 202	2,212	0	0	0	0	0	0	0	0	< 17.5% to 18.5% of Row 8
	176,260	180,201	45,990	39,605	37,605	42,646	165,846	215,653	287,719	
EXPENSES:										
Operating expense	98,535	111,672	26,904	26,917	26,635	27,531	107,987	114,975	135,415	< $14.25 / boe
Transportation	10,810	11,867	3,028	3,007	2,934	3,091	12,060	13,140	15,476	< $1.60 / boe
DD&A	43,928	53,669	11,647	11,284	11,093	11,592	45,616	51,328	62,871	< $6.00 / boe in Q4 2025, ramping up $6.50 / boe in 2027
Impairment	2,447	7,000	0	0	0	0	0	0	0	
G&A	7,495	10,300	2,693	2,823	1,558	2,500	9,574	10,000	12,000	
Share based compensation	2,856	2,982	837	827	815	900	3,379	3,600	4,000	
Finance expense paid in cash	7,630	17,399	1,859	1,963	1,240	1,200	6,262	4,500	4,000	< Pine Cliff continues to pay down
Finance expense non-cash amortization			2,019	1,982	2,025	2,000	8,026	8,000	6,000	Asset sale for $15 million in Q4 2025 to lower debt at YE
(Gain) loss on dispositions	0	(7,450)	0	0	(1,078)	0	(1,078)	0	0	
TOTAL EXPENSES	173,701	207,439	48,987	48,803	45,222	48,814	191,826	205,543	239,762	
OPERATING EARNING	2,559	(27,238)	(2,997)	(9,198)	(7,617)	(6,168)	(25,980)	10,110	47,957	
INCOME TAXES										
Current	0	0	0	0	0	0	0	0	0	< Tax pools cover all cash taxes through 2027
Deferred	(6,562)	(5,792)	(260)	(2,062)	(1,619)	(1,419)	(5,360)	2,325	11,030	<23%
NET INCOME to common stockholders	$9,121	($21,446)	($2,737)	($7,136)	($5,998)	($4,750)	($20,621)	$7,784	$36,927	
Common Stock	**356,298**	**358,100**	**358,354**	**358,792**	**358,792**	**359,000**	**358,735**	**360,000**	**361,000**	< 2025 is shares outstanding at the end of each Qtr
Earnings per share	$0.03	($0.06)	($0.01)	($0.02)	($0.02)	($0.01)	($0.06)	$0.02	$0.10	< EPS
NOTE: Current First Call Estimated EPS								N/A	N/A	< First Call's EPS Forecasts
Cash Flow >>>>>>	$49,194	$31,648	$10,320	$3,861	$4,256	$7,824	$26,261	$71,038	$118,828	*< 2025 CapEx budget $20 million w $12.5 million drilling program in Q4 (Nov*
Cashflow per share (before CapEx)	$ 0.14	$0.09	$0.03	$0.01	$0.01	$0.02	$0.07	$0.20	$0.33	**Target Price 5 X 2025 thru 2027 CFPS = $ 1.00 < Cdn**
										TipRanks' CFPS *Price target in U.S. $* $ 0.73 < At 73% conversion
PRODUCTION										*2H 2025* *YR 2026* *First Call's Price Target* $ 0.93 < Cdn
Natural Gas (mcfp/d)	107,471	110,834	100,918	102,528	99,473	100,800	100,930	103,950	122,430	*80.0%* *77.0%* *Canaccord G* 8/6/25 $ 0.90 < Cdn
Oil (bbls/d)	1,255	1,537	1,477	1,299	1,283	1,260	1,330	2,250	2,650	*6.0%* *10.0%* *Desjardins* 8/7/25 $ 1.00 < Cdn
NGLs (bbls/d)	1,493	3,239	2,986	2,849	2,514	2,940	2,822	2,925	3,445	*14.0%* *13.0%* *Haywood* 8/7/25 $ 0.90 < Cdn
Boepd	20,660	23,248	21,283	21,236	20,376	21,000	20,974	22,500	26,500	*Peters* 8/6/25 $ 0.75 < Cdn
YOY growth		12.5%					-9.8%	7.3%	17.8%	**< Year-over-year production growth**
PRODUCT PRICES				*Canadian Dollars*						**See development drilling locations below**
Natural Gas ($/mcf)	2.99	2.24	2.90	2.48	2.30	2.75	2.61	3.25	4.00	< See hedges below
Oil ($/bbl)	92.29	89.07	86.83	79.13	78.78	73.00	79.44	75.00	80.00	
NGLs ($/bbl)	53.51	41.62	43.03	35.94	37.54	38.00	38.63	45.00	50.00	
Gross Revenue check (prod * ave price)	188,852	190,118	49,478	41,805	39,038	44,243	174,563	232,948	318,999	
								N/A	N/A	< First Call Revenue Forecast
	$ 56,564	**$ 50,830**					**$ 25,898**	**$ 65,938**	**$ 114,828**	**< EBITDA**