

Management

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EPG Commentary by Dan Steffens

Pine Cliff Energy Ltd. (PNE.TO and PIFYF) is a Canadian junior energy company that was added to our Small-Cap Growth Portfolio in July 2025. 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 \$40 to \$45 Canadian million in 2026, which compares to 2025 operating cash flow of \$22.5Cdn million in 2025. 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 20,173 Boepd in Q4 2025 (expected to increase to 22,625 Boepd in 2026)

- Production mix in the 4th quarter was 80.16% natural gas, 13.71% NGLs and 6.13% 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 for NGLs and \$78.78/bbl for oil
 - Q4 2025: \$2.82/mcf for natural gas, \$30.87/bbl for NGLs and \$73.45/bbl for oil
 - Pine Cliff's hedging program will continue to lower the Company's commodity price risk.



Pine Cliff's free cash flow allows it to continue paying monthly dividends. Annualized yield based on the share price as of the date of this report was 2.4%. *< AECO gas prices averaged \$2.22Cdn/MMBtu in Q4 2025. If natural gas prices do move over \$3.00Cdn/MMBtu in Western Canada, I expect Pine Cliff to increase their dividends.*

REASONS TO OWN PINE CLIFF STOCK



Disciplined Capital Allocation

- Disciplined capital allocation with cash flow supporting a high return drilling location in Central Alberta in Q1 2026. Pine Cliff also maintains a monthly dividend program, which has returned over \$105 million to shareholders since June 2022.

Leverage to Canadian Natgas

- Significant leverage to Western Canadian gas prices provides exposure to improving fundamentals, supported by LNG Canada's continued ramp-up toward 2 Bcf/d Phase 1 capacity in 2026. At full utilization, LNG Canada represents over 10% of Canadian natural gas production.⁽¹⁾

Balance Sheet and Asset Management

- Continues to strengthen its balance sheet, reducing term debt to \$41.3 million at December 31, 2025, from \$49.2 million at year-end 2024.

High Insider 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.

Low Production Decline

- Production decline rate of < 10% in 2025 is one of the lowest among all Canadian public producers (32% natural gas-weighted industry average⁽²⁾). Reduced capital requirements provide significant flexibility around reinvestment into the business and increases free cash flow compared to peers.

March 25, 2026 Operational Update: Pine Cliff successfully drilled one gross (1.0 net) Glauconite well in the Central Alberta Caroline area in December 2025 that was completed and brought on **production in the second half of February 2026**. Field production estimates over the last 30 days have averaged **1,167 Boepd (56% liquids)** including 198 Bbls/d of condensate. **The well continues to clean up with field production estimates in the past seven days averaging 1,220 Boe/d (56% liquids) including 208 Bbls/d of condensate.**

New "Running Room" in one of Canada's top oil play: Including this well, Pine Cliff has identified 51 gross (31.0 net) Glauconite locations in the Caroline area, with 29 gross (22.0 net) locations booked in the Company's Total Proved plus Probable ("TPP") reserves as at December 31, 2025. The Company will continue to evaluate opportunities for a drilling program in the second half of 2026.

My Fair Value Estimate for PNE.TO is \$0.80Cdn/share (\$0.59US/share)

Compares to First Call's Price Target of \$0.85Cdn/share

Disclosure: I have a long position in PIFYF. I do not intend on buying or selling any shares 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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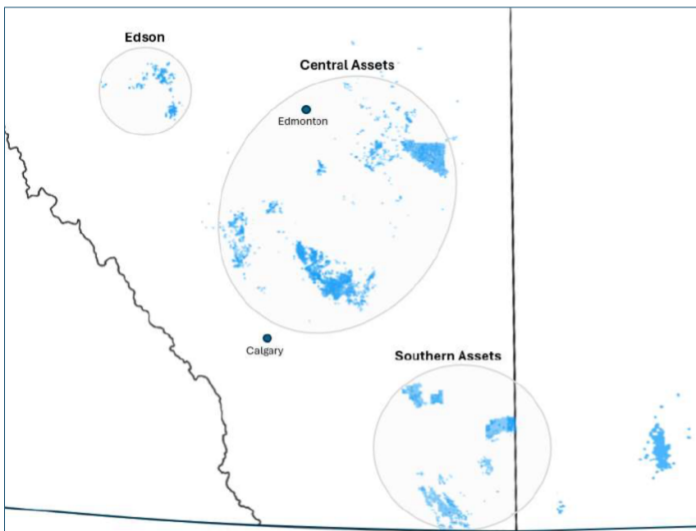
Pine Cliff is an Alberta-based corporation primarily engaged in the business of exploration for, and acquisition, development and production of natural gas, oil and NGLs in the Western Canadian Sedimentary Basin. In order to create value for the holders of Common Shares, Pine Cliff is pursuing an integrated growth strategy that includes both development through acquisitions as well as drilling.

The common shares of the Company are listed on the Toronto Stock Exchange (“TSX”) under the symbol “PNE” and trade on the OTC Markets Group (“OTCQX”) under the symbol “PIFYF.”

PINE CLIFF ENERGY OVERVIEW



Pine Cliff Energy is a Canadian natural gas and oil producing company that has grown from 100 barrels of oil equivalent per day (boe/d) in 2012 to over 20,000 boe/d today. Backed by an industry-low production decline rate, PNE's goal is to create shareholder value through disciplined capital allocation, low-risk operations and accretive acquisitions, while paying surplus funds to shareholders in the form of a dividend.



Marketing and Trading Summary (as of March 2, 2026)

Market Capitalization ⁽¹⁾	\$258.3 m
Average Daily Volume/Value	~0.22 MM/\$154k
52-Week Trading Range	CS\$0.52 – CS\$0.91 US\$0.38 – US\$0.66
Shares Issued ⁽²⁾	358.8 MM

Corporate Highlights

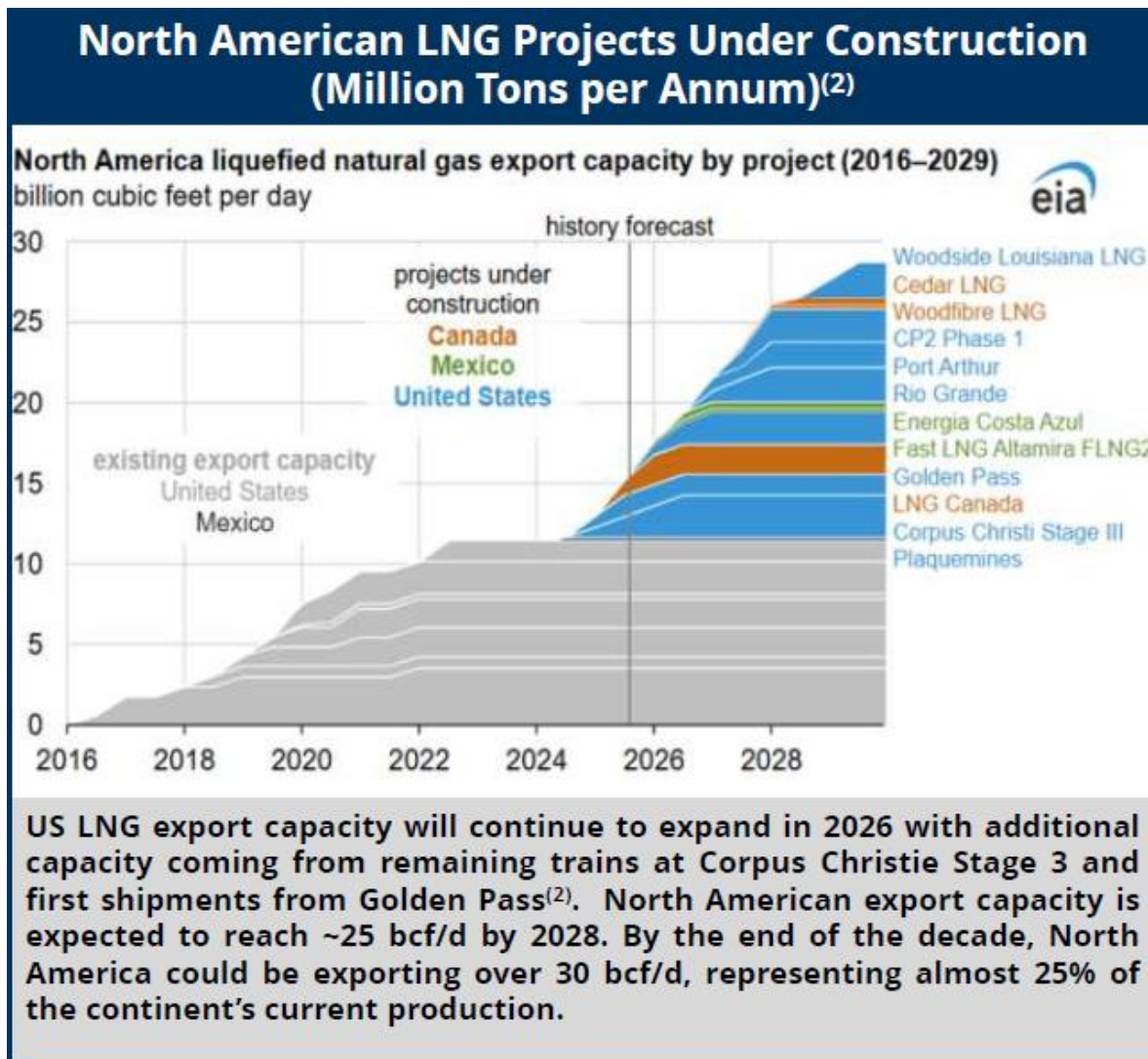
2025 Production	20,763 boe/d
% Natural Gas	80%
2025 Corporate Base Production Decline	<10%
2025 2P, 1P, PDP Reserves NPV (BTAX 10%) “MM”	\$534.6, \$312.9.0, \$214.6
Long-term Debt (Dec 31/25)	\$41.3 MM
Tax Pools (Dec 31/25)	~\$327.8MM
Insider Ownership ⁽³⁾	
Basic	14%
Fully Diluted	17%

⁽¹⁾ Based on Mar 2, 2026 closing price of \$0.72

⁽²⁾ Estimated at Mar 2, 2026.

⁽³⁾ Insiders include the Alberta Investment Management Corporation (AIMCO) and the officers and directors of Pine Cliff

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 Pine Cliff President and CEO, Phil Hodge, became Pine Cliff's first employee in 2012, the Company has grown from 100 barrels of oil equivalent per day (boepd) to over 21,000 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**. How is this an advantage? 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 dividends. With a high percentage of insider ownership, Pine Cliff's decisions have always been in-line with its shareholders, and will continue to execute with one goal in mind – to maximize shareholder value.

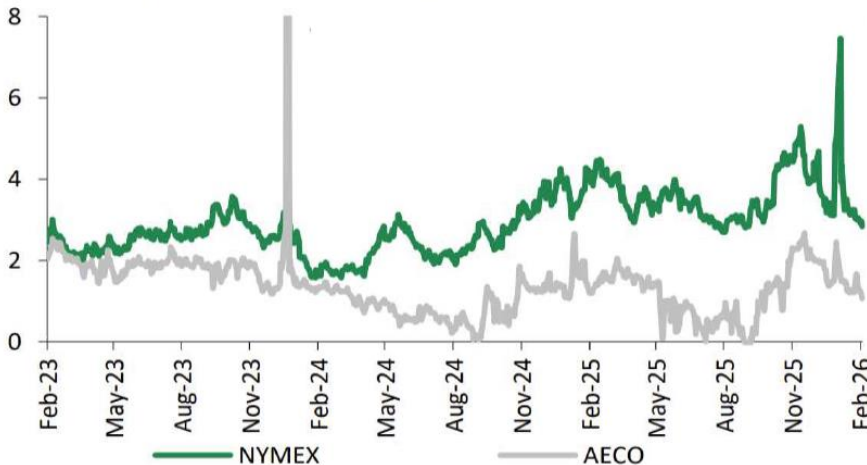


SIGNIFICANT LEVERAGE TO WESTERN CANADA AECO GAS



The AECO Hub is the Canadian benchmark price for natural gas on the Nova Gas Transmission Ltd. (NGTL) system.

Historical North America natural gas prices



Improving Western Canadian Fundamentals

- **Alberta natural gas demand growth** expected from a number of sources, including oil sands, power generation, petrochemicals and LNG Canada start-up.
- **LNG Canada Phase 1** expected to reach full 2 bcf/d capacity in 2026, with the potential for export capacity to exceed 6 bcf/d by the end of decade.

Q4, 2025 NYMEX prices reached the highest levels since 2022 amid constructive weather forecasts and strong demand, while NYMEX-AECO differentials—though still wider than normal—have begun to narrow following the commencement of Canadian LNG exports in July 2025.

PNE has significant leverage to AECO gas prices; a \$0.10/mcf move in AECO gas results in a ~\$3.4m change in AFFO.⁽¹⁾

(1) Source: Q4/25 MD&A

Pine Cliff Energy Ltd. | TSX: PNE OTCQX: PIFYF

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

Long Life Assets: 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.

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

Income Stream: High quality assets lead to high quality income streams. Significant free cash flow is generated from all of Pine Cliff's low-operational cost projects that yield meaningful value.

Q4 2025 and Full Year Highlights

- Generated \$7.8 million (\$0.02 per basic and fully diluted share) and \$29.9 million (\$0.08 per basic and fully diluted share) of adjusted funds flow for the three months and year ended December 31, 2025 compared to \$8.6 million (\$0.02 per basic and fully diluted share) and \$38.0 million (\$0.11 per basic and fully diluted share) for the same periods in 2024;
- Reduced net debt by \$12.7 million or 20% to \$49.6 million at December 31, 2025, compared to \$62.3 million at December 31, 2024;
- Production averaged 20,173 Boe/d and 20,763 Boe/d during the three months and year ended December 31, 2025, representing an 11% decrease from the comparable periods in 2024; < *New Glauconite well completed in February is expected to raise production in 1H 2026.*
- Proceeds from dispositions totaled \$16.2 million in 2025, including \$14.9 million in the fourth quarter;
- Capital expenditures totaled \$8.7 million and \$14.8 million for the three months and year ended December 31, 2025, compared to \$nil and \$2.5 million for the same periods in 2024;
- Paid dividends of \$1.3 million (\$0.004 per basic and fully diluted share) and \$9.4 million (\$0.026 per basic and fully diluted share) during the three months and year ended December 31, 2025, compared to \$5.4 million (\$0.015 per basic and fully diluted share) and \$25.6 million (\$0.072 per basic and fully diluted share) for the same periods in 2024; and
- Generated net income of \$3.8 million (\$0.01 per basic and fully diluted share) for the three months ended December 31, 2025 and a net loss of \$12.1 million (\$0.03 per basic and fully diluted share) for the year ended December 31, 2025, compared to a net loss of \$5.6 million (\$0.02 per basic and fully diluted share) and \$21.4 million (\$0.06 per basic and fully diluted share) for the comparable periods in 2024.

Reserves as of December 31, 2025

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

- Net present value for Total Proved plus Probable reserves of \$534.6 million, discounted at 10%, a reduction of \$13.5 million, or 2%, from December 31, 2024. Positive additions for extensions and technical revisions were offset by the impact of dispositions, lower prices and annual production;
- Pine Cliff increased its 2025 TPP reserves by 6.3 MMBoe4 prior to adjusting for 2025 production, representing a reserve replacement ratio of 83%;

- Remaining TPP reserves of 92.8 MMBoe5 (69% conventional natural gas and coal bed methane) at December 31, 2025 were down 1.4% from 94.1 MMBoe6 (70% conventional natural gas and coal bed methane) at December 31, 2024; and
- Approximately 67% of total reserve volumes are classified as total proved reserves on December 31, 2025, an increase from 64% in the previous year.

Summary of Remaining Working Interest Reserves, as of December 31, 2025

Reserve Category	Oil ^{1,2}	Natural Gas	Conventional	Coal Bed	Oil
	MBbl	Liquids MBbl	Natural Gas MMcf	Methane MMcf	Equivalent MBoe
Proved					
Developed Producing	2,430.4	5,800.3	184,975.9	20,914.9	42,545.9
Undeveloped	877.7	8,268.7	60,726.1	-	19,267.5
Total Proved	3,308.1	14,069.1	245,702.0	20,914.9	61,813.3
Probable	2,277.7	9,175.1	111,725.2	5,603.2	31,007.6
Total Proved plus Probable	5,585.8	23,244.2	357,427.2	26,518.1	92,820.9

¹ Amounts may not add due to rounding.

² Oil includes Light and Medium and Heavy Oil. Light and Medium oil represents 100 per cent of Total Proved and Proved plus Probable reserves.

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

(\$ millions)	Discounted at (% per year)				
	0%	5%	10%	15%	20%
Reserve Category¹					
Proved					
Developed Producing	(152.6)	187.6	214.6	198.8	179.6
Undeveloped	277.8	160.0	98.3	62.7	40.6
Total Proved	125.2	347.5	312.9	261.5	220.2
Probable	575.0	337.5	221.7	156.4	115.8
Total Proved plus Probable	700.2	685.0	534.6	417.9	335.9

¹ Amounts may not add due to rounding.

MESSAGE TO SHAREHOLDERS – Phil Hodge, President and CEO

Supported by strengthening AECO natural gas prices in Western Canada toward the end of the year, Pine Cliff closed 2025 with strong momentum. Our team successfully navigated a volatile 2025 commodity backdrop by maintaining capital discipline, sustaining a dividend in a responsible manner, and advancing our high return drilling opportunities. These efforts contributed to a solid financial performance, highlighted by the following key accomplishments in Q4 and 2025:

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- Generated \$7.8 million (\$0.02 per basic and fully diluted share) and \$29.9 million (\$0.08 per basic and fully diluted share) of adjusted funds flow for the three months and year ended December 31, 2025;
- Reduced net debt by \$12.7 million or 20% to \$49.6 million at December 31, 2025, compared to \$62.3 million at December 31, 2024;
- Paid dividends of \$1.3 million (\$0.004 per share) and \$9.4 million (\$0.026 per share) during the three months and year ended December 31, 2025; and
- Generated net income of \$3.8 million (\$0.01 per basic and fully diluted share) for the three months ended December 31, 2025.

Reserves

Despite pausing drilling activity in 2024 and most of 2025 due to lower natural gas prices, our PDP reserves at the end of 2025 were up 2% year-over-year prior to accounting for production. Stronger well performance and lower operating costs helped offset the impact of lower commodity prices, particularly from oil and natural gas liquids.

Pine Cliff's TPP reserves were up 7% from the prior year, before production, reflecting additional reserve bookings and better performance assigned to our undrilled locations. At the end of 2025, we have 22.0 net Glauconite locations booked. This is a 19.6% increase from 18.4 net locations at year-end 2024, expanding our high-quality inventory in our Central Alberta core area. We successfully completed the previously announced Q4 2025 disposition of land prospective for Basal Quartz in Central Alberta, consistent with our portfolio optimization.

Disciplined Capital Spending

We redeployed the proceeds of the Q4 disposition to support the development of the 4-23 Glauconite well in our Central Alberta area. This well was drilled in December 2025, completed in January 2026 and was brought into production in the second half of February and continues to clean up. We also constructed natural gas pipeline infrastructure to service the 4-23 well and to enable the development of future Glauconite locations in the area.

Given the year-to-date correction in AECO gas pricing, and to preserve balance sheet strength and dividend sustainability, our Board has approved an initial 2026 capital budget of \$15 million, which includes asset retirement, facility maintenance and the 4-23 well completion. We intend to resume our drilling program in the back half of 2026, although, as always, we will pace spending with the commodity strip and only advance projects that will meet our return thresholds.

Dividend

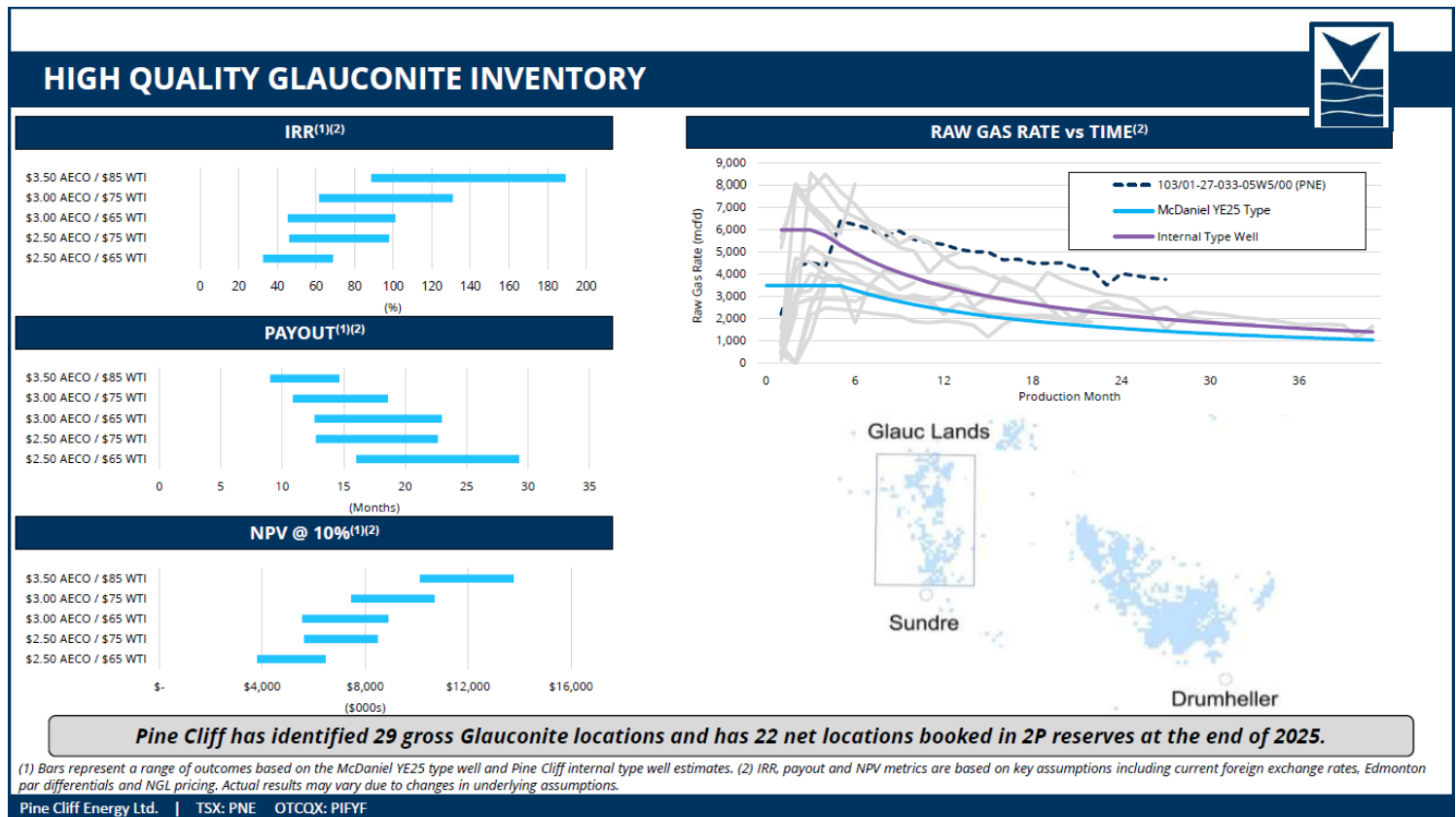
Pine Cliff's priority is to maintain a sustainable dividend supported by free cash flow, prudent hedging and a strong balance sheet. At current commodity prices, Pine Cliff's monthly dividend was set at \$0.00125 per share and its total payout ratio was to be monitored closely.

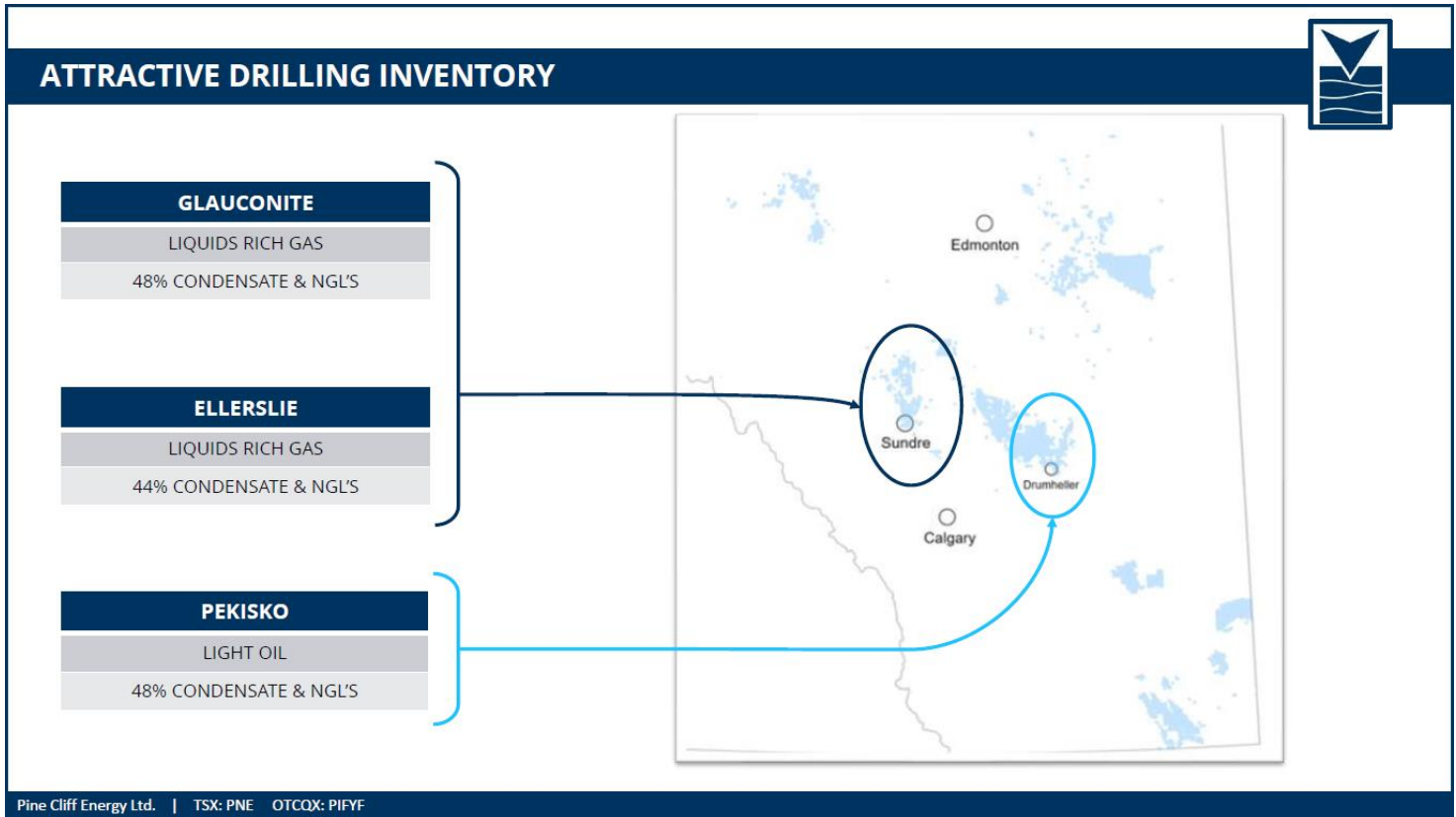
As of December 31, 2025, Pine Cliff has paid \$104.6 million, or approximately \$0.29 per share in cumulative monthly dividends since the commencement of the dividend program in June 2022. We are proud of this sizable return of capital to our shareholders given the size of our company.

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Hedging and Diversification Update

Our hedging and internal marketing strategies continue to mitigate the impact of commodity price volatility. In 2025, Pine Cliff realized an average natural gas price of C\$2.64/mcf, representing a 57% premium to the AECO Daily 5A price of C\$1.68/mcf for the year. We have approximately 37% of our gross natural gas production for 2026 priced at C\$3.19/mcf. This includes close to 37% Q2 and Q3 2026 production priced at C\$3.27/mcf. We also have 40% of our crude oil production for 2026 hedged at US\$63.45/bbl. We will opportunistically expand our hedge positions when they align with our business strategy, capital program and dividend sustainability.





Outlook

We are optimistic on the medium-term outlook for North American natural gas, and in particular, Western Canada gas. We expect structural demand growth from LNG export capacity in Canada and the United States, along with rising power demand tied to artificial intelligence and data processing infrastructure growth. While near-term weather variability and the pace of LNG export ramp-ups can influence storage levels and price volatility, we believe the macro drivers will support improved fundamentals over time.

Canada is expected to be exporting more than 10% of its natural gas production in the form of LNG by this summer and the US is expected to add an additional three Bcfd of LNG exports this year to take their total to approximately 22 Bcfd, or over 20% of all US natural gas production.

There are also approximately 35 GWs of new data center construction underway in the US this year. Natural gas is the most scalable and near-term option to provide energy for these projects. We should start to see some of this incremental industrial demand appearing in late 2026 and in 2027.

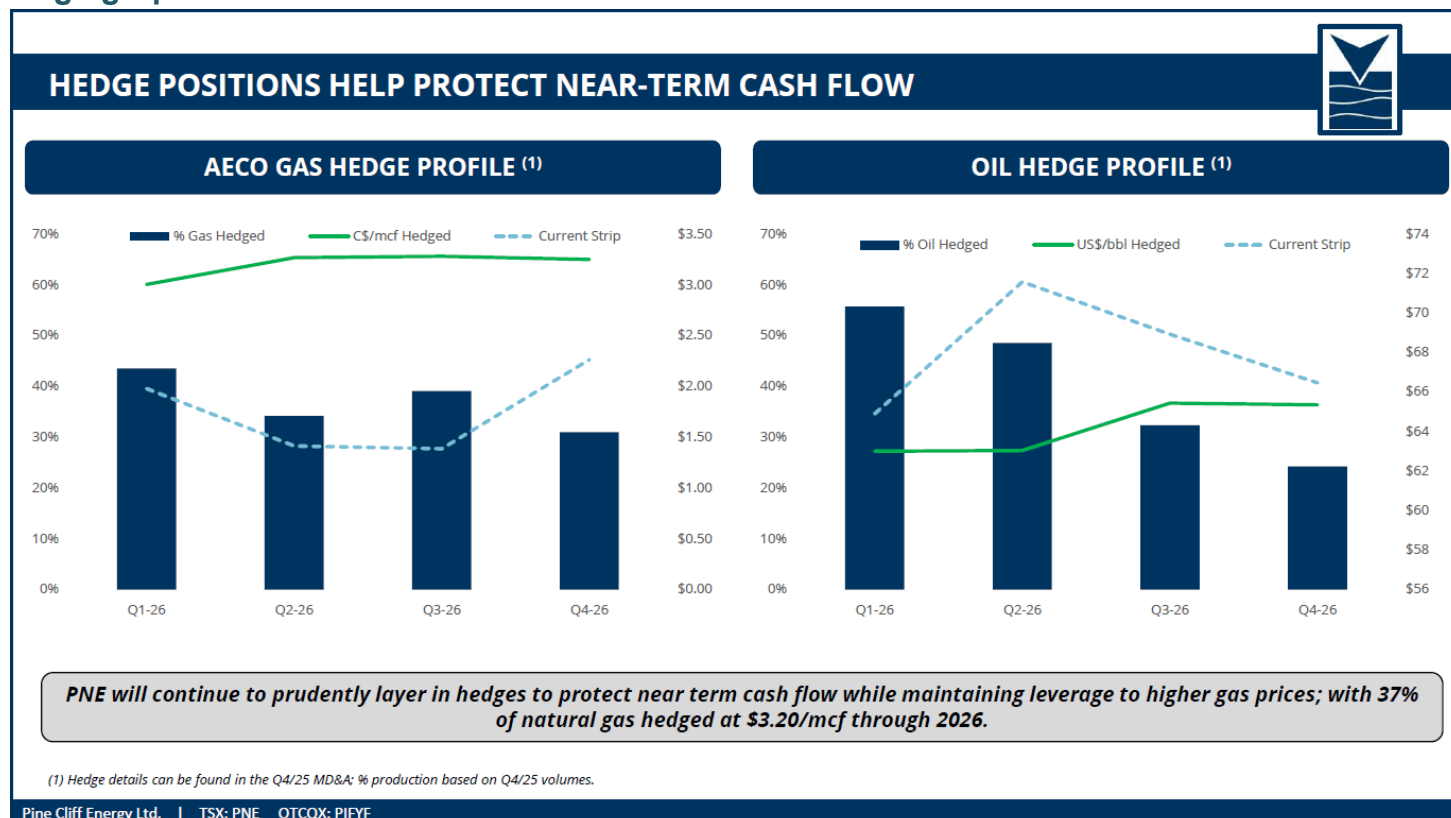
In the interim, our approach is unchanged: protect the balance sheet, sustain a dividend, hedge prudently and pursue attractive, repeatable drilling opportunities in our core areas. This is our 15th year operating through Western Canada natural gas cycles and experience tells us that disciplined capital allocation through volatility creates long term shareholder value.

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Financial and Operating Results

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
(\$000s, unless otherwise indicated)				
Commodity sales (before royalty expense)	42,691	47,083	172,223	190,118
Cash provided by operating activities	(909)	518	25,058	23,795
Adjusted funds flow ¹	7,795	8,608	29,893	38,017
Per share - Basic and diluted (\$/share) ¹	0.02	0.02	0.08	0.11
Net income (loss)	3,797	(5,607)	(12,074)	(21,446)
Per share - Basic and diluted (\$/share)	0.01	(0.02)	(0.03)	(0.06)
Capital expenditures	8,727	32	14,785	2,529
Dispositions	(14,911)	(6,901)	(16,249)	(10,519)
Dividends	1,345	5,371	9,408	25,597
Per share - Basic and diluted (\$/share)	0.00	0.01	0.03	0.07
Net debt ¹	(49,614)	(62,323)	(49,614)	(62,323)
Production (Boe/d)	20,173	22,738	20,763	23,248
Percent Natural Gas (%)	80%	79%	80%	79%
Weighted-average common shares outstanding (000s)				
Basic	358,792	358,086	358,581	357,375
Diluted	361,361	358,086	358,581	357,375
Combined sales price (\$/Boe)	23.00	22.51	22.73	22.34
Operating netback (\$/Boe) ¹	6.44	6.31	6.10	6.67
Corporate netback (\$/Boe) ¹	4.20	4.11	3.94	4.48
Operating netback (\$ per Mcfe) ¹	1.07	1.05	1.02	1.11
Corporate netback (\$ per Mcfe) ¹	0.70	0.69	0.66	0.75

Hedging Update



Liquidity

As at December 31, 2024, the Company's capital comprises shareholders' equity, Term Loan and working capital, including Demand Loan. Pine Cliff manages the capital structure and adjusts considering economic conditions and the risks of the underlying assets. The Company currently has a working capital deficiency of \$22.2 million. Pine Cliff has and will continue to manage its working capital needs through its physical diversification program, adjusting timing of capital expenditures, executing asset dispositions, managing dividend levels and issuing equity when practical.

The Company defines and computes its net debt as follows:

(\$000s)	December 31, 2025	December 31, 2024	\$ Change
Cash	4,066	-	4,066
Accounts receivable	20,781	23,702	(2,921)
Prepaid expenses and deposits	4,484	5,722	(1,238)
Less:			
Accounts payable and accrued liabilities	(37,683)	(35,236)	(2,447)
Term loan	(41,262)	(49,153)	7,891
Demand loan	-	(7,358)	7,358
Net debt¹	(49,614)	(62,323)	12,709

¹This is a non-GAAP measure, see NON-GAAP MEASURES for additional information.

Share Capital

Share capital	March 4, 2026	December 31, 2025	December 31, 2024
Common Shares	358,791,562	358,791,562	358,067,145
Stock options	26,834,370	27,037,370	27,256,078
RSUs	2,883,914	2,883,914	-
DSUs	517,240	517,240	-

Capital Structure

The Company's objectives when managing capital, which the Company defines to include shareholders' equity and net debt, is to ensure that it has the financial capacity, liquidity and flexibility to fund its capital program and acquisitions. As it is not unusual for capital expenditures and acquisitions to exceed cash flow provided by (used in) operating activities in a given period, the Company is required to maintain financial flexibility and liquidity to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the

Company may issue debt, Common Shares or a combination thereof and make adjustments to its capital investment and dividend programs.

The Company defines and computes its net debt as follows:

(\$000s)	As at December 31,	
	2025	2024
Cash	4,066	-
Accounts receivable	20,781	23,702
Prepaid expenses and deposits	4,484	5,722
Less:		
Accounts payable and accrued liabilities	(37,683)	(35,236)
Term loan	(41,262)	(49,153)
Demand loan	-	(7,358)
Net debt	(49,614)	(62,323)
Equity	35,459	54,324

The Company's cash provided by (used in) operating activities is expected to provide the necessary capital for oil and gas exploration and development activities. However, due to the potential impact of adverse changes in commodity prices, production rates, capital efficiencies and service costs, the Company may not generate sufficient cash provided by operating activities to entirely fund its planned oil and gas capital programs or future acquisitions. Accordingly, the Company will continually evaluate the stage of development of its proved and producing reserves and the expected return on investment of acquisitions and consider issuing equity and/or debt or amend its dividend to provide additional financing to maintain appropriate net debt and equity levels.

The Company considers adjusted funds flow to be a key performance measure as it demonstrates the Company's ability to generate funds necessary to fund future growth through capital investment, to pay dividends and where necessary repay debt. Net debt-to adjusted funds flow is computed as follows:

	As at December 31,	
	2025	2024
Net debt-to-adjusted funds flow calculation:		
Cash provided by operating activities	25,058	23,795
Changes in non-cash working capital	(2,593)	7,853
Decommissioning obligations settled in cash	7,428	6,369
Adjusted funds flow	29,893	38,017
Net debt	(49,614)	(62,323)
Net debt-to-adjusted funds flow	1.7	1.6

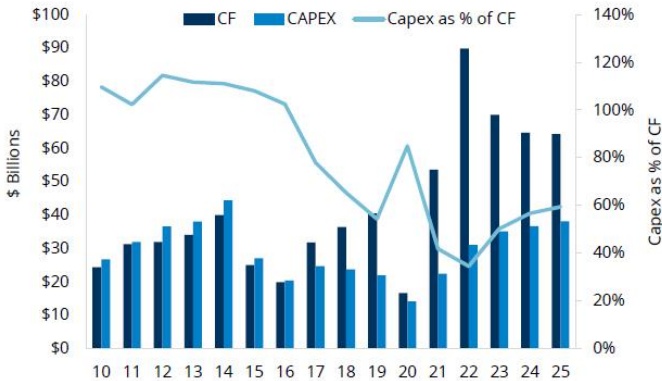
The Company's financial objectives and strategy as described above have remained substantially unchanged over the reporting periods. These objectives and strategy are reviewed on an annual basis.

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NATURAL GAS OUTLOOK – PRIORITY SHIFTING AS DEMAND GROWS



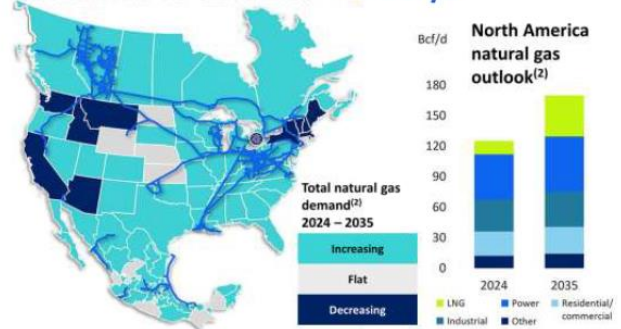
Canadian E&P Capex vs. Cash Flows⁽¹⁾



Capex as a percentage of cash flow has decreased significantly in the last five years in the oil and gas sector as more companies are returning capital to shareholders rather than increasing capex for growth purposes.

Structural Demand Growth

NORTH AMERICAN NATURAL GAS DEMAND FORECAST TO INCREASE 45 BCF/D BY 2035⁽²⁾



North American natural gas demand is entering a structural growth phase, driven by LNG exports, industrial expansion, and rising power needs from AI and data infrastructure; 43% of electricity in the United States is generated from natural gas³.

Sources: (1) FactSet (Nov 2025) (2) TC Energy internal data and forecast (Aug 2025) (3) EIA

Pine Cliff Energy Ltd. | TSX: PNE OTCQX: PIFYF

Updates

On March 25, 2026, Pine Cliff announced initial production results from its recently completed Glauconite well and the monthly dividend for April 2026.

Operational Update: Pine Cliff successfully drilled one gross (1.0 net) Glauconite well in the Central Alberta Caroline area in December 2025 that was completed and brought on production in the second half of February 2026. Field production estimates over the last 30 days have averaged 1,167 Boe/d1 (56% liquids) including 198 Bbls/d of condensate. The well continues to clean up with field production estimates in the past seven days averaging 1,220 Boe/d2 (56% liquids) including 208 Bbls/d of condensate.

Including this well, Pine Cliff has identified 51 gross (31.0 net) Glauconite locations in the Caroline area, with 29 gross (22.0 net) locations booked in the Company's Total Proved plus Probable reserves as at December 31, 2025. The Company will continue to evaluate opportunities for a drilling program in the second half of 2026.

April Dividend: Pine Cliff has declared a monthly dividend of \$0.00125 per common share to be paid April 30, 2026, to shareholders of record on April 15, 2026. This dividend and future dividends are expected to be designated as non-eligible dividends for Canadian income tax purposes until further notice.

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Net Income and Cash Flow Forecast Model

Pine Cliff Energy Ltd. (PNE.TO and PIFYF) Net Income and Cash Flow 2023 - 2026 (updated 4/17/2026) (\$Thousands in Canadian Dollars)													
	Canadian Dollars						Canadian Dollars						
	Actual 2023	Actual 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual Qtr3 2025	Actual Qtr4 2025	Actual Year 2025	Forecast Qtr1 2026	Forecast Qtr2 2026	Forecast Qtr3 2026	Forecast Qtr4 2026	Forecast Year 2026	Forecast 2027
REVENUES:													
Oil and natural gas sales	\$188,852	\$190,118	\$49,478	\$41,850	\$38,204	\$42,691	\$172,223	\$44,167	\$51,776	\$55,169	\$64,095	\$215,207	\$290,977
Royalties	(19,963)	(15,426)	(4,882)	(3,748)	(2,347)	(3,064)	(14,041)	(3,533)	(4,142)	(4,414)	(5,128)	(17,217)	(26,188)
Processing and gathering	5,159	5,509	1,394	1,503				1,350	1,400	1,450	1,500	5,700	7,000
Realized gain (loss) on hedges					834	(996)	(162)	0	0	0	0	0	0
Unrealized gain (loss) on hedges					(478)	1,386	908	0	0	0	0	0	0
Interest income / gain (loss) on hedges in 2025	2,212	0	0	0	0	0	0	0	0	0	0	0	0
	176,260	180,201	45,990	39,605	37,605	41,352	164,552	41,983	49,034	52,206	60,467	203,690	271,789
EXPENSES:													
Operating expense	98,535	111,672	26,904	26,917	26,635	26,238	106,694	26,753	27,710	31,349	34,017	119,828	145,544
Transportation	10,810	11,867	3,028	3,007	2,934	2,835	11,804	2,952	3,058	3,459	3,754	13,222	16,060
DD&A	43,928	53,669	11,647	11,284	11,093	10,316	44,340	10,609	10,988	12,432	13,490	47,518	57,716
Impairment	2,447	7,000	0	0	0	0	0	0	0	0	0	0	0
G&A	7,495	10,300	2,693	2,823	1,558	2,527	9,601	2,500	2,500	2,500	3,500	11,000	12,000
Share based compensation	2,856	2,982	837	827	815	995	3,474	1,000	1,000	1,000	1,200	4,200	5,000
Finance expense paid in cash	7,630	17,399	1,859	1,963	1,240	1,641	6,703	1,700	1,700	1,650	1,600	6,650	4,000
Finance expense non-cash amortization			2,019	1,982	2,025	2,062	8,088	2,000	2,000	2,000	2,000	8,000	6,000
(Gain) loss on dispositions	0	(7,450)	0	0	(1,078)	(9,847)	(10,925)	0	0	0	0	0	0
TOTAL EXPENSES	173,701	207,439	48,987	48,803	45,222	36,767	179,779	47,513	48,955	54,390	59,560	210,418	246,319
OPERATING EARNING	2,559	(27,238)	(2,997)	(9,198)	(7,617)	4,585	(15,227)	(5,530)	79	(2,184)	907	(6,728)	25,470
INCOME TAXES													
Current	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred	(6,562)	(5,792)	(260)	(2,062)	(1,619)	788	(3,153)	(1,272)	18	(502)	209	(1,547)	5,858
NET INCOME to common stockholders	\$9,121	(\$21,446)	(\$2,737)	(\$7,136)	(\$5,998)	\$3,797	(\$12,074)	(\$4,258)	\$61	(\$1,682)	\$699	(\$5,181)	\$19,612
Common Stock	356,298	358,100	358,354	358,792	358,792	358,792	358,682	359,000	359,000	359,000	359,000	359,000	360,000
Earnings per share	\$0.03	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.02)	\$0.01	(\$0.03)	(\$0.01)	\$0.00	(\$0.00)	\$0.00	(\$0.01)	\$0.05
NOTE: Current First Call Estimated EPS												N/A	N/A
Cash Flow >>>>>	\$49,194	\$31,648	\$10,320	\$3,861	\$4,256	\$4,028	\$22,465	\$7,079	\$11,567	\$10,747	\$15,097	\$44,490	\$92,185
Cashflow per share (before CapEx)	\$ 0.14	\$0.09	\$0.03	\$0.01	\$0.01	\$0.01	\$0.06	\$0.02	\$0.03	\$0.03	\$0.04	\$0.12	\$0.26
PRODUCTION													
Natural Gas (mcfpd)	107,471	110,834	100,918	102,528	99,473	97,025	99,986	94,710	97,020	108,570	117,810	104,528	127,050
Oil (bbls/d)	1,255	1,537	1,477	1,299	1,283	1,236	1,324	1,845	2,100	2,350	2,550	2,211	2,750
NGLs (bbls/d)	1,493	3,239	2,986	2,849	2,514	2,766	2,779	2,870	2,730	3,055	3,315	2,993	3,575
Boepd	20,660	23,248	21,283	21,236	20,376	20,173	20,767	20,500	21,000	23,500	25,500	22,625	27,500
YOY growth		12.5%					-10.7%					8.9%	21.5%
PRODUCT PRICES													
Natural Gas (\$/mcf)	2.99	2.24	2.90	2.48	2.30	2.82	2.63	2.75	2.50	2.40	3.00	2.66	3.25
Oil (\$/bbl)	92.29	89.07	86.83	79.13	78.78	73.06	79.45	78.15	115.14	101.44	89.11	95.96	87.74
NGLs (\$/bbl)	53.51	41.62	43.03	35.94	37.54	30.87	36.85	30.00	31.00	33.00	35.00	32.25	40.00
Gross Revenue check (prod * ave price)	188,852	190,118	49,478	41,805	39,038	41,356	171,676	44,167	51,776	55,169	64,095	215,207	290,977
	\$ 56,564	\$ 50,830					\$ 35,816					\$ 47,440	\$ 87,185

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