

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 \$30 to \$35 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 20,066 Boepd in Q1 2026 (expected to increase to 21,000 Boepd in Q4 2026)

- Production mix in the 1st quarter was 79.78% natural gas, 14.45% NGLs and 5.77% 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
 - Q1 2026: \$2.94/mcf for natural gas, \$38.29/bbl for NGLs and \$80.66/bbl for oil

Pine Cliff's key Q1 2026 development was the successful completion of one gross (1.0 net) Glauconite well 4-23 in the Central Alberta Caroline area, which began production in the second half of February 2026. The Company also added infrastructure to support current output and future Glauconite locations in the area. **Over the last 60 days, field production estimates for the 4-23 well have averaged 1,150 Boe/d4 (55% liquids), including 205 Bbls/d of condensate.** < *I now expect Pine Cliff to complete two more horizontal Glauconite wells in Q4 2026.*

Pine Cliff continues to use hedging as part of its marketing strategy to reduce commodity price risk. In Q1 2026, the Company realized an average natural gas price of C\$2.94/Mcf (including cash settlements on their hedges), a 47% premium to the AECO Daily 5A average of C\$2.00/Mcf. For the remaining three quarters of 2026, Pine Cliff has hedged about 40% of gross natural gas production at an average price of C\$3.16/Mcf and approximately 46% of gross crude oil production at US\$64.96/Bbl, while NGL production remains unhedged.

My Fair Value Estimate for PNE.TO is \$0.60Cdn/share (\$0.43US/share)

Compares to First Call's Price Target of \$0.77Cdn/share

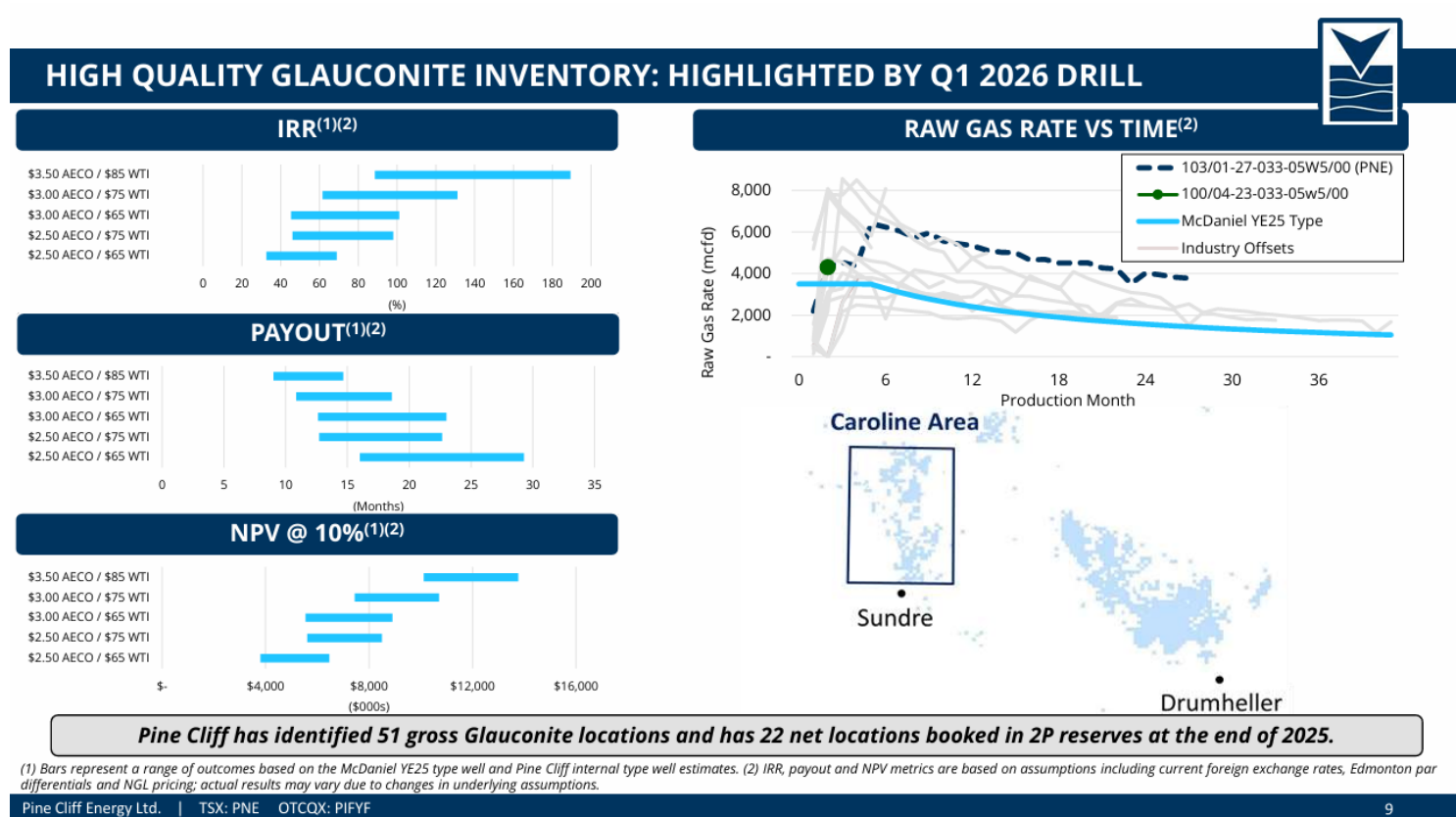
Disclosure: I do not have a position in PIFYF. I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is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

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Pine Cliff'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 2.5%. *< AECO gas prices remain well below Henry Hub gas prices. If natural gas prices do move over \$3.00Cdn/MMBtu in Western Canada, I expect Pine Cliff to increase their dividends.*

New "Running Room" in one of Canada's top oil & gas play: Including the horizontal Glauconite 4-23 well completed in February, 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. *< The 4-23 well's production continues to surpass the type curve, so two more Glauconite wells are expected in 2026.*

On the slide below the blue bars represent a range of outcomes based on the McDaniel YE 2025 type well and Pine Cliff's internal type well estimates. IRR, payout, and NPV metrics are based on assumptions including current foreign exchange rates, Edmonton pare differentials and NGL pricing. Actual results may vary depending on changes in underlying assumptions.



Pine Cliff spent \$7.5 million in the first quarter, primarily related to completion costs for the 4-23 Glauconite well and infrastructure in the Central Alberta Caroline area to support future Glauconite locations. Given the success of the 4-23 well, the company continues to evaluate a potential drilling program in the second half of 2026.

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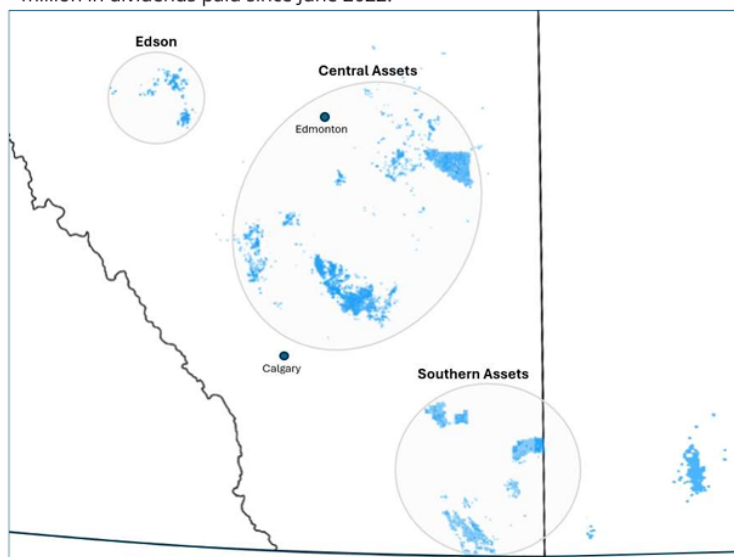
Pine Cliff is an Alberta-based corporation primarily engaged in the business of exploration for, and acquisition, development and production of natural gas, oil and NGLs in the Western Canadian Sedimentary Basin. In order to create value for the holders of Common Shares, Pine Cliff is pursuing an integrated 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 Ltd. is a Canadian natural gas and oil company focused on long-life, low-decline assets in Western Canada. Since inception, Pine Cliff has grown production from 100 to over 20,000 boe/d, with one of the lowest corporate decline rates in the industry. Through disciplined capital allocation, low-risk operations, high-return drilling and accretive acquisitions, Pine Cliff’s strategy is to deliver sustainable shareholder returns — including over \$106 million in dividends paid since June 2022.



MARKETING AND TRADING SUMMARY (AS OF JUN 3, 2026)

Market Capitalization ⁽¹⁾	\$229.6 m
Average Daily Volume/Value	~0.24 MM/\$168k
52-Week Trading Range	C\$0.57 – C\$0.91 US\$0.41 – US\$0.66
Shares Issued ⁽²⁾	358.8 MM

CORPORATE HIGHLIGHTS

1Q26 Production	20,066 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 (Mar 31/26)	\$40.3 MM
Tax Pools (Dec 31/25)	~\$327.8MM
Insider Ownership ⁽³⁾	
Basic	14%
Fully Diluted	17%

⁽¹⁾ Based on Jun 3, 2026, closing price of \$0.64

⁽²⁾ Estimated at Jun 3, 2026.

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

Pine Cliff is led by an experienced management team with decades of expertise in oil and natural gas exploration, development and production. Since President and CEO Phil Hodge became the Company's first employee in 2012, Pine Cliff has grown from 100 boepd to more than 20,000 boepd, largely through timely counter-cyclical acquisitions. These acquisitions have created **a unique asset base with one of the lowest production decline rates in the public oil and gas sector**, allowing Pine Cliff to sustain production with modest capital spending and limited low-risk drilling. This structure gives investors exposure to the Canadian natural gas market while enabling surplus cash flow to be returned through dividends.

REASONS TO OWN PINE CLIFF STOCK



Disciplined Capital Allocation

- A history of disciplined capital allocation. Pine Cliff maintains a monthly dividend program that has returned over \$106 million to shareholders since June 2022.

Leverage to Canadian Natgas

- Significant leverage to Western Canadian gas prices and improving fundamentals, supported by LNG Canada Phase 1 reaching full 2 Bcf/d capacity in 2026 — over 10% of Western Canada NGTL system flow — with Phase 2 advancing toward a year-end FID.⁽¹⁾

Balance Sheet and Asset Management

- Continues to pay down long-term debt, reducing term facility to \$40.3 million at March 31, 2026, from \$44.2 million March 31, 2025.

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 increased free cash flow.

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: 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, 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;

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- 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 Liquids	Conventional Natural Gas	Coal Bed Methane	Oil Equivalent
	MBbl	MBbl	MMcf	MMcf	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.

President's Letter Q1 2026 – Phil Hodge, President and CEO

The Pine Cliff team successfully navigated significant commodity price volatility through the start of 2026. The Q4 2025 momentum in AECO gas prices eased amid LNG Canada start-up delays and warm weather in February, followed by a sudden and sharp return of geopolitical risk premium to crude oil prices with the war in Iran and the closing of the Strait of Hormuz.

Despite these challenges, our team delivered strong Q1 results, which were assisted by the Glauconite well drilled in late 2025 and our continued focus on capital discipline to maintain our monthly dividend.

First Quarter 2026 Highlights

Key accomplishments in the first quarter of 2026 included:

- Completed one gross (1.0 net) Glauconite well in the Central Alberta Caroline area, which was brought on production in the second half of February;
- Exited the quarter with net debt of \$50.5 million, down 14% from \$58.8 million as of March 31, 2025, and essentially flat to year-end 2025, even with \$7.5 million in capital deployed in Q1;
- Generated \$9.6 million of adjusted funds flow (\$0.03 per basic and fully diluted share);
- Averaged production of 20,066 Boe/d2 ; and
- Paid dividends of \$1.3 million (\$0.004 per basic and fully diluted share).

Glauconite Drilling Update

After pausing our drilling program for two years amid weak commodity prices, we successfully completed one Glauconite well (4-23) in our Central Alberta Caroline area. Pine Cliff owns a 100% interest in this well. The 4-23 continues to perform strongly, with field production estimates over the last 60 days averaging 1,150 boe/d4 (55% liquids). This production includes approximately 200 Bbls/d of condensate, typically sold at prices equal or better than light oil.

Disciplined Capital Spending

We spent \$7.5 million in the first quarter, primarily related to completion costs for our 4-23 Glauconite well and infrastructure in the Central Alberta Caroline area to support future Glauconite locations. Given the success of our 4-23 well, we continue to evaluate a potential drilling program in the second half of 2026. Our plans will depend on prevailing commodity prices and our dedication to preserving our balance sheet strength to manage ongoing commodity price volatility.

Dividend

Since the implementation of our dividend program in June 2022, our priority has been to maintain a sustainable dividend supported by free cash flow, prudent hedging and a strong balance sheet. At current commodity prices, we are maintaining our monthly dividend at \$0.00125 per share.

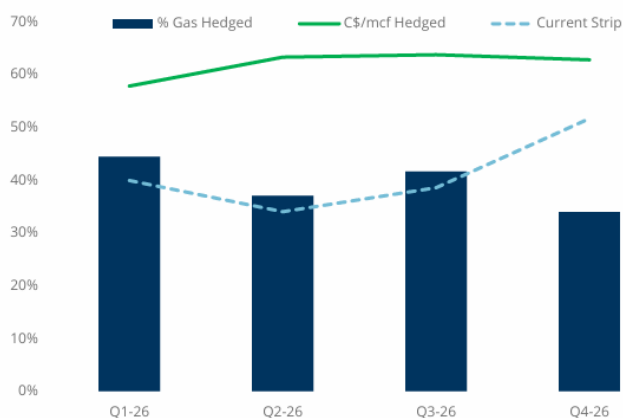
As of March 31, 2026, Pine Cliff has paid \$105.9 million, or approximately \$0.30 per share, in cumulative dividends since the program began. We are proud to have returned this amount of capital to our shareholders given the size of our company and the fact that 2024 and 2025 were not strong years for Western Canada natural gas prices.

Hedging and Diversification Update

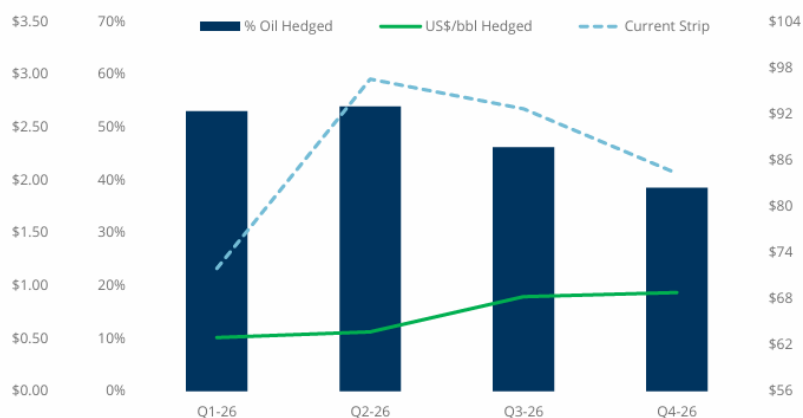
Our hedging and internal marketing strategies continue to mitigate the impact of commodity price volatility. In the first quarter, Pine Cliff realized an average natural gas price of C\$2.94/mcf, representing a 47% premium to the AECO Daily 5A average price of C\$2.00/mcf.

For the remaining three quarters of 2026, we have hedged approximately 40% of our gross natural gas production at an average price of \$3.16/Mcf, and 46% of our gross crude oil production⁴ at US\$64.96/Bbl. Our NGL production, which includes our condensate volumes, are unhedged.

AECO GAS HEDGE PROFILE (1)

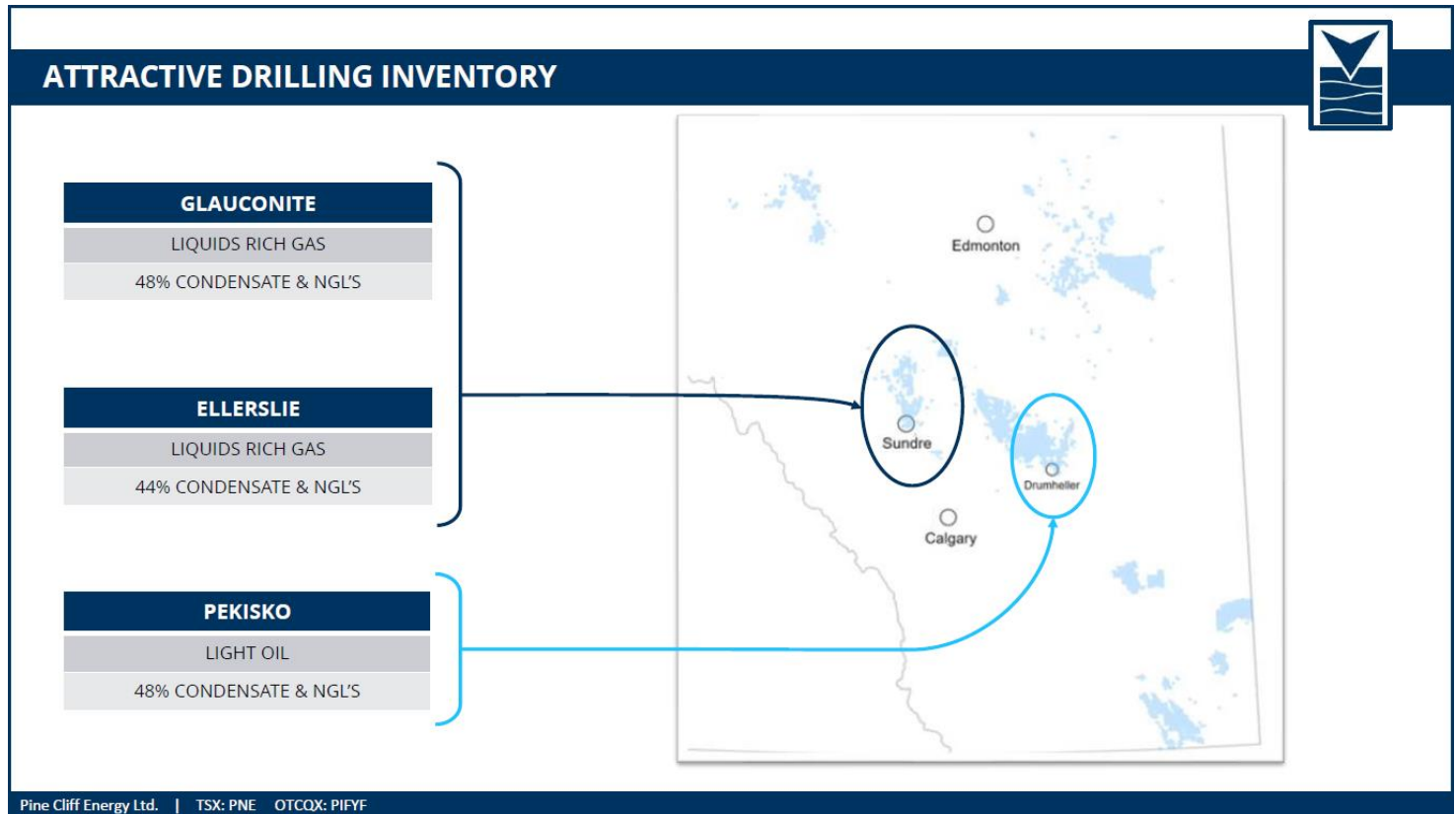


OIL HEDGE PROFILE (1)



PNE will continue to layer in hedges to protect near term cash flow while maintaining leverage to higher gas prices; with 40% of natural gas hedged at \$3.16/mcf through 2026.

In addition to the potential Pine Cliff sees in the Glauconite, the company has two areas which they believe to have significant future potential for light oil and liquids rich natural gas reserves.



Outlook from Phil Hodge, President & CEO

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 Bcfpd of LNG exports this year to take their total to approximately 22 Bcfpd, 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.

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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.

Liquidity

As at December 31, 2025, 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

	March 4, 2026	December 31, 2025	December 31, 2024
Share capital			
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 manages capital, including shareholders' equity and net debt, to maintain the financial capacity, liquidity and flexibility needed to fund its capital program and acquisitions. Because spending may exceed operating cash flow in some periods, Pine Cliff seeks to preserve an optimal capital structure and lower its cost of capital by issuing debt, Common Shares or both, and by adjusting capital spending and dividends as needed.

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(\$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

Operating cash flow is expected to fund oil and gas exploration and development, but commodity prices, production, capital efficiency and service costs may affect the Company's ability to fully fund planned programs or acquisitions.

Pine Cliff will continue evaluating its reserves, acquisition returns and financing options, including equity, debt or dividend adjustments, to maintain appropriate net debt and equity levels.

Adjusted funds flow is a key measure of Pine Cliff's ability to fund growth, pay dividends and, when needed, 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

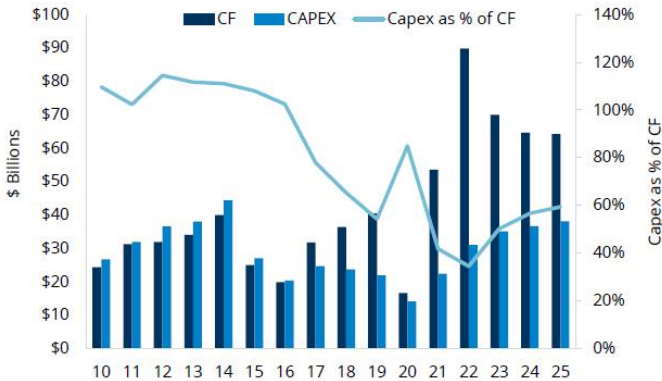
The Company's financial objectives and strategy as described above have remained substantially unchanged over the reporting periods. These objectives and strategy are reviewed on an annual basis.

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NATURAL GAS OUTLOOK – PRIORITY SHIFTING AS DEMAND GROWS



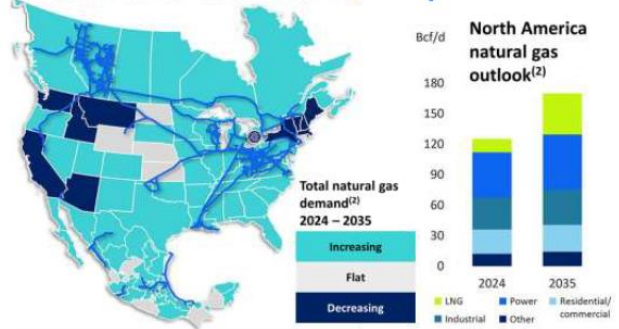
Canadian E&P Capex vs. Cash Flows⁽¹⁾



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

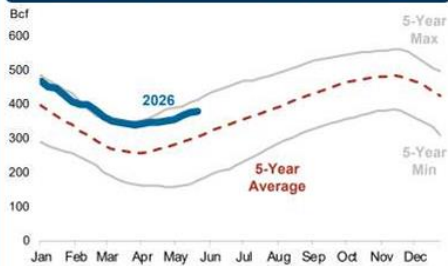
NORTH AMERICAN NATURAL GAS DEMAND FORECAST TO INCREASE 45 BCF/D BY 2035⁽²⁾



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.

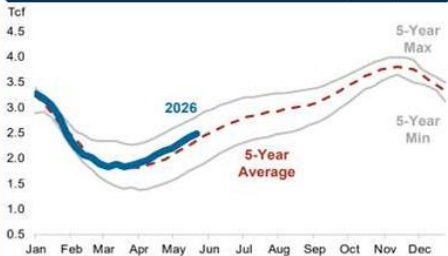
Sources: (1) FactSet (Nov 2025) (2) TC Energy internal data and forecast (Aug 2025) (3) EIA

WESTERN CANADIAN GAS STORAGE⁽¹⁾



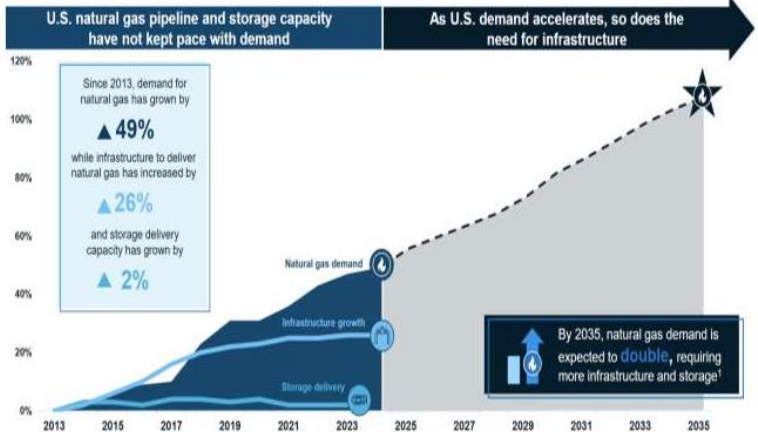
Western Canada's natural gas storage has drawn off the top end of the 5-year range through 2Q26 as LNG Canada Phase 1 ramped to full capacity, reflecting early evidence of the structural demand pull from LNG exports.

U.S. NATURAL GAS STORAGE (TCF)⁽²⁾



U.S. natural gas storage levels have moved back toward seasonal averages following cold-weather related demand in early 2026.

CHANGE IN DEMAND AND NATURAL GAS INFRASTRUCTURE⁽³⁾

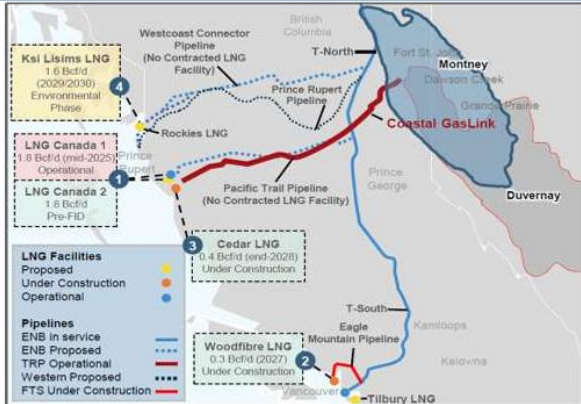


The growth in the size of the supply and demand market has far outstripped any expansion of storage capacity. This has led to more severe and volatile movements in storage levels during times of supply and demand imbalances.

NATURAL GAS OUTLOOK - UNLOCKING ACCESS TO GLOBAL MARKETS



WESTERN CANADIAN LNG BUILDOUT⁽¹⁾



Canadian West Coast LNG projects, led by LNG Canada and supported by Woodfibre, Cedar and Ksi Lisims, are establishing a direct link between Western Canadian gas and global markets. Canadian export capacity is building toward ~6 Bcf/d by 2030⁽¹⁾ to capitalize on a geographic advantage to the Asian markets, the largest global consumers of LNG.

LNG SHIPPING TIME TO ASIA⁽²⁾

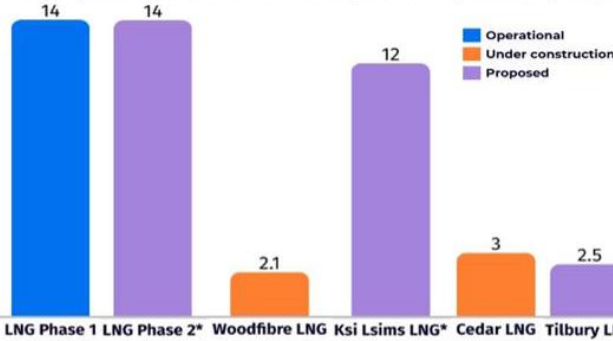


It takes 10 days to ship LNG from Canada's West Coast to Asia, compared to 24 days from the U.S. Gulf Coast. LNG Canada's GHG emissions profile is projected to be 32% lower than the world's currently best-performing liquefaction plants⁽²⁾. Woodfibre LNG plans to be the first LNG export facility in the world to achieve net zero emissions⁽³⁾.

CANADIAN LNG PROJECTS⁽¹⁾

LNG projects in Canada

LNG Export Volumes, Million Tonnes per Annum (MTPA), by stage

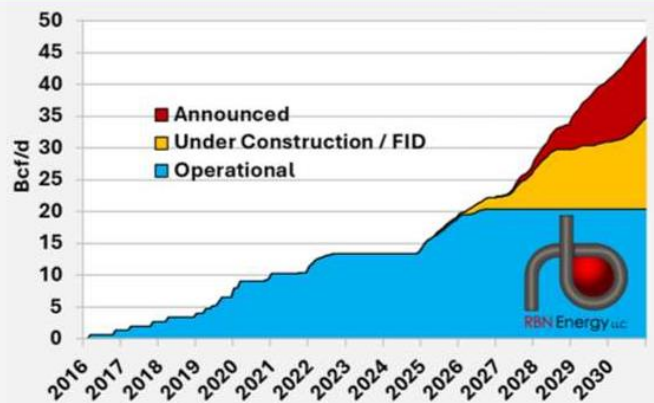


LNG Canada, a 2.0 bcf/d LNG export facility (Phase 1), is one of Canada's largest energy investments. Phase 2 of LNG Canada would add another 2.0 bcf/day by the end of the decade.

LNG export facilities currently under construction include Woodfibre LNG (0.3 bcf/d), near Squamish, B.C. and Cedar LNG (0.4 bcf/d), near Kitimat B.C. Ksi Lisims LNG is another 1.7 bcf/d export facility seeking final investment approval in 2026.

Sources: (1) Natural Resources Canada and ATB Economics, (2) RBN Energy (Mar 2026)

NORTH AMERICAN LNG CAPACITY BY STATUS⁽²⁾



US LNG exports grew a record 4 Bcf/d in 2025 and are expected to add another ~3 Bcf/d in 2026.⁽²⁾ North American operational and in construction LNG capacity is on track to exceed 30 Bcf/d by the end of the decade — nearly 25% of the continent's current natural gas production — with additional announced projects providing further long-term upside.

Net Income and Cash Flow Forecast Model

Pine Cliff Energy Ltd. (PNE.TO and PIFYF) Net Income and Cash Flow 2023 - 2027 (updated 6/24/2026) (\$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	Actual 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	\$43,845	\$40,421	\$44,496	\$48,660	\$177,422	\$196,939
Royalties	(19,963)	(15,426)	(4,882)	(3,748)	(2,347)	(3,064)	(14,041)	(3,416)	(3,234)	(3,560)	(3,893)	(14,102)	(17,724)
Processing and gathering	5,159	5,509	1,394	1,503	1,392	1,335	5,624	1,386	1,400	1,450	1,500	5,736	7,000
Realized gain (loss) on hedges					834	(996)	(162)	(23)	0	0	0	(23)	
Unrealized gain (loss) on hedges					(478)	1,386	908	1,097	0	0	0	1,097	
Interest income / gain (loss) on hedges in 2025	2,212	0	0	0	0	0	0	0	0	0	0	0	0
	178,260	180,201	45,990	39,605	37,605	41,352	164,552	42,889	38,587	42,386	46,267	170,130	186,214
EXPENSES:													
Operating expense	98,535	111,872	26,904	26,917	26,635	26,238	106,694	25,607	25,611	26,220	27,531	104,969	114,428
Transportation	10,810	11,867	3,028	3,007	2,934	2,835	11,804	2,778	2,786	2,852	2,995	11,410	12,447
DD&A	43,928	53,669	11,647	11,284	11,093	10,316	44,340	10,212	10,334	10,580	11,109	42,235	46,173
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	2,647	2,500	2,500	3,500	11,147	12,000
Share based compensation	2,856	2,982	837	827	815	995	3,474	692	750	750	1,000	3,192	4,000
Finance expense paid in cash	7,630	17,399	1,859	1,963	1,240	1,641	6,703	1,158	1,200	1,200	1,100	4,658	4,000
Finance expense non-cash amortization			2,019	1,982	2,025	2,062	8,088	1,987	2,000	2,000	2,000	7,987	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	45,081	45,181	46,102	49,235	185,598	199,047
OPERATING EARNING	2,559	(27,238)	(2,997)	(9,198)	(7,617)	4,585	(15,227)	(2,192)	(6,593)	(3,716)	(2,967)	(15,469)	(12,832)
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)	(545)	(1,516)	(855)	(682)	(3,599)	(2,951)
NET INCOME to common stockholders	\$9,121	(\$21,446)	(\$2,737)	(\$7,136)	(\$5,998)	\$3,797	(\$12,074)	(\$1,647)	(\$5,077)	(\$2,861)	(\$2,285)	(\$11,870)	(\$9,881)
Common Stock	356,298	358,100	358,354	358,792	358,792	358,792	358,682	358,792	358,792	358,792	358,792	358,792	360,000
Earnings per share	\$0.03	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.02)	\$0.01	(\$0.03)	(\$0.0046)	(\$0.0142)	(\$0.0080)	(\$0.0064)	(\$0.0331)	(\$0.03)
NOTE: Current First Call Estimated EPS													
Cash Flow >>>>>	\$49,194	\$31,648	\$10,320	\$3,861	\$4,256	\$4,028	\$22,465	\$8,537	\$5,491	\$7,114	\$9,642	\$30,783	\$39,340
Cashflow per share (before CapEx)	\$ 0.14	\$0.09	\$0.03	\$0.01	\$0.01	\$0.01	\$0.06	\$0.02	\$0.02	\$0.02	\$0.03	\$0.09	\$0.11
PRODUCTION													
Natural Gas (mcf/d)	107,471	110,834	100,918	102,528	99,473	97,025	99,986	96,048	93,971	95,160	99,918	96,274	102,960
Oil (bbls/d)	1,255	1,537	1,477	1,299	1,283	1,236	1,324	1,158	1,126	1,140	1,197	1,155	1,320
NGLs (bbls/d)	1,493	3,239	2,986	2,849	2,514	2,766	2,779	2,900	2,963	3,000	3,150	3,003	3,520
Boepd	20,660	23,248	21,283	21,236	20,376	20,173	20,767	20,066	19,750	20,000	21,000	20,204	22,000
YOY growth		12.5%					-10.7%					-2.7%	8.9%
PRODUCT PRICES													
Natural Gas (\$/mcf)	2.99	2.24	2.90	2.48	2.30	2.82	2.63	2.94	2.25	2.40	2.80	2.60	2.75
Oil (\$/bbl)	92.29	89.07	86.83	79.13	78.78	73.06	79.45	80.66	96.23	110.85	89.72	94.36	79.59
NGLs (\$/bbl)	53.51	41.62	43.03	35.94	37.54	30.87	36.85	38.29	42.00	43.00	45.00	42.07	43.00
Gross Revenue check (prod * ave price)	188,852	190,118	49,478	41,805	39,038	41,356	171,676	43,822	40,421	44,496	48,660	177,399	196,939
	\$ 56,564	\$ 50,830					\$ 32,979					\$ 39,411	\$ 43,340

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