

PINE CLIFF ENERGY LTD.



**KNEEHILL COUNTY
MUNICIPAL TAX PRESENTATION**

September 10, 2024

TSX Exchange: PNE

OTCQX: PIFYF

AGENDA



Corporate Overview

Relationship with Kneehill County

Our Purpose Today

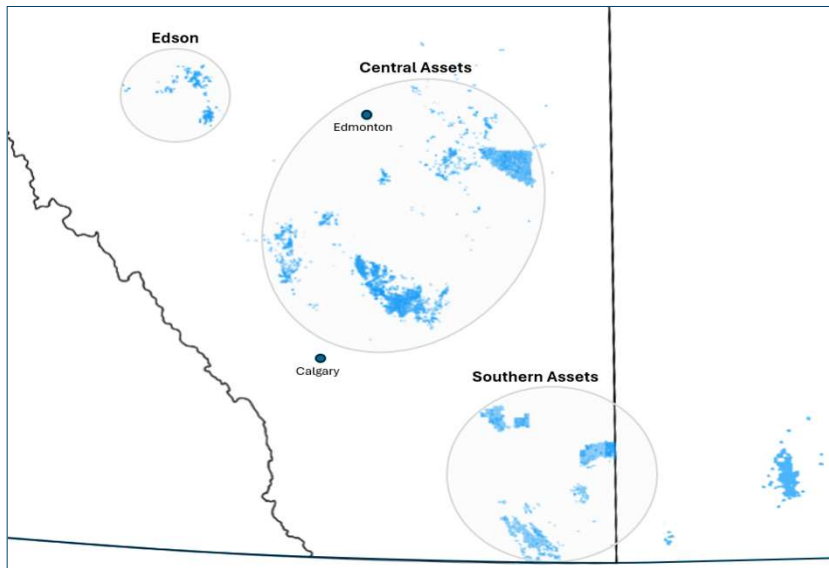
What We Are Seeking Today



PINE CLIFF ENERGY OVERVIEW

Pine Cliff Energy is a Canadian natural gas producing company that has grown from 100 barrels of oil equivalent per day (boe/d) in 2012 to over 24,000 boe/d.

With an industry-low production decline rate and a solid balance sheet, PNE enhances shareholder value through efficient operations, prudent cost management, and strategic acquisitions.



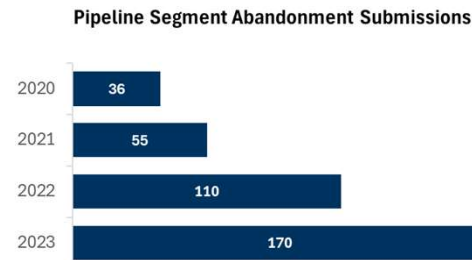
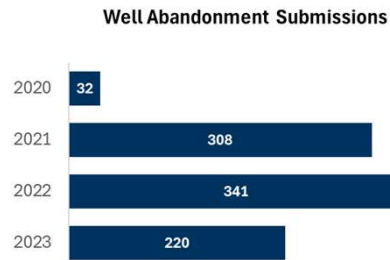
Corporate Highlights

2024 Production Guidance % Natural Gas	23,250 – 23,750 boe/d ~79%
2024 Capital Guidance	\$10.5 million Closure Spend and Maintenance \$7.0 million discretionary
Corporate Base Production Decline	~9%
Long-term Debt (June 30/24)	\$54.2 million
Employees and Full time Contractors	Over 150

COMMITTED TO FULFILLING OUR END-OF-LIFE OBLIGATIONS



- Over the past three years Pine Cliff has abandoned 869 wells and 371 pipeline segments in Alberta, along with an additional 280 well and 85 pipeline abandonments in Saskatchewan.



- We have obtained 35 reclamation certificates year to date and expect to end the year with around 70 at year end.

Rec Certs	
2020	3
2021	5
2022	28
2023	44
2024 YTD	35

- We were one of the first industry advocates to work with the AER on mandated area wide closure targets and we have consistently exceeded our mandated closure spend obligation.
- Over 90% of our well sites are active.



RELATIONSHIP WITH KNEEHILL COUNTY

- Pine Cliff has been active in Kneehill County since December 2015, with more assets here than in any other county or RM.
- Over the past nine years, Pine Cliff has invested over \$150 million directly into Kneehill County.
- We are looking to grow our footprint inside the County and our assets will continue to produce economically for decades to come.

Typical Annual Expenses Directly in Kneehill County

Surface & Mineral Land	\$ 4.3 million
Labour	\$ 4.0 million
Municipal Taxes	\$ 4.0 million
Repair & Maintenance of Roads and Equipment	\$ 4.2 million
Trucking and Hauling Expenses	\$ 0.8 million
Alberta Energy Regulator (AER) and Orphan Well Association (OWA) Fees	\$ 1.7 million
Other Local Expenses	\$1.8 million

- Kneehill has been an essential and supportive partner to Pine Cliff, and we look forward to continuing this collaboration for years to come.
- We believe our high standards of operation in the area have earned that support.

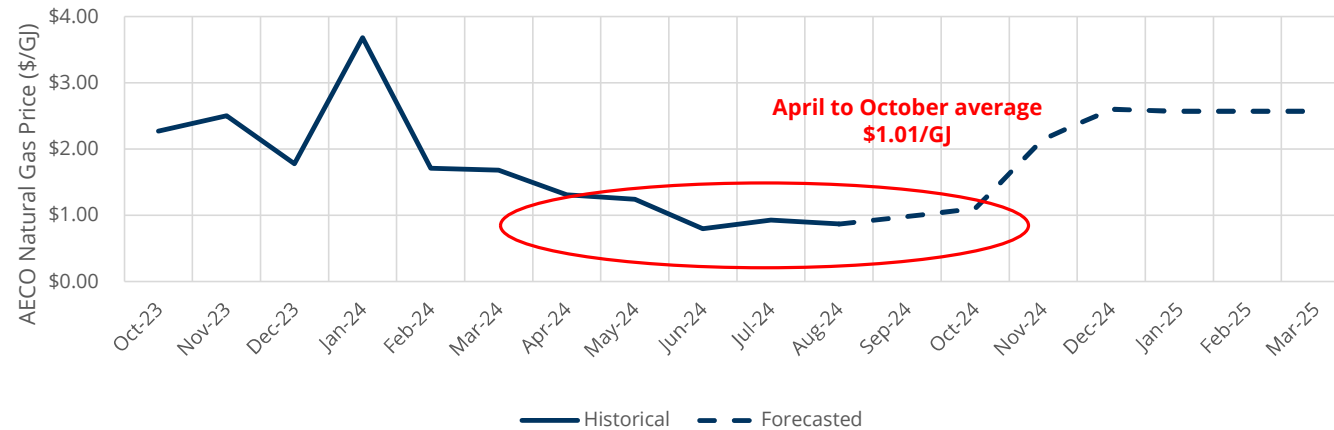
OUR PURPOSE TODAY



- Alberta natural gas prices (AECO 5A) have dropped 45% year-over-year, reducing Pine Cliff's projected 2024 cash flow by over 35%.
- We have already reduced our capital spend from \$20.9 million in 2023 to \$1.6 million YTD in 2024.
- The significant Q4 municipal tax obligations, combined with the remaining closure work for 2024, are putting pressure on our short-term cash flow.

AECO 5A (\$/GJ)

Source: National Bank Financial Markets



- Beginning in November 2024, rising North American natural gas demand from new LNG projects in Canada and the U.S. is expected to drive gas prices back toward healthy and historic levels.

WHAT PINE CLIFF IS SEEKING



- Pine Cliff is not seeking any deductions or reductions in its property tax payments to the County but is requesting short-term relief to manage through Q4 2024.
- We propose splitting the \$3,368,501.68 in 2024 property taxes into six equal, penalty-free monthly payments of \$613,916.95, beginning on October 31, 2024, with the full amount paid by March 31, 2025.

CORPORATE INFORMATION



BOARD OF DIRECTORS

William S. Rice (Chairman)
Hilary A. Foulkes
Robert B. Fryk
Philip B. Hodge
Calvin B. Jacober
Jacqueline R. Ricci

OFFICERS

Philip B. Hodge
President and Chief Executive Officer

Terry L. McNeill
Chief Operating Officer

Kristopher B. Zack
Chief Financial Officer and Corporate Secretary

Daniel C. Keenan
Vice President Exploitation

Austin W. Nieuwdorp
Vice President Finance and Controller

HEAD OFFICE

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REGISTRAR AND TRANSFER AGENT

Odyssey Trust Company of Canada

AUDITORS

Deloitte LLP

STOCK LISTINGS

Toronto Stock Exchange ("TSX")
Trading Symbol : PNE

OTC Markets Group Inc. ("OTCQX")
Trading Symbol : PIFYF

WEBSITE

www.pinecliffenergy.com

INVESTOR CONTACT

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