BIRCHCLIFF ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES Q2 2025 RESULTS, STRONG NEW WELL PERFORMANCE AND DECLARES Q3 2025 DIVIDEND

Calgary, Alberta (August 13, 2025) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its Q2 2025 financial and operational results and provide an operational update with respect to its 2025 capital program.

Chris Carlsen, Birchcliff's President and Chief Executive Officer, commented: "Our strong operational and financial performance continued during the second quarter of 2025. We maintained our focus on operational excellence and efficient execution and benefitted from the performance of the initial wells of our 2025 capital program, achieving second quarter average production of 79,480 boe/d. The 12 wells brought on production in Q2 2025 targeted high-value condensate-rich natural gas, yielding attractive netbacks. Adjusted funds flow(1) for Q2 2025 was $94.5 million and free funds flow(1) for Q2 2025 was $21.3 million, driven by a stronger average realized natural gas sales price as compared to Q2 2024. Birchcliff continues to benefit from our natural gas market diversification, with approximately 76% of our natural gas volumes realizing higher U.S. pricing at the Dawn and NYMEX HH markets compared to AECO.

We remain focused on capital efficiency improvements, driving down our costs and strengthening our balance sheet. Our 2025 production and F&D capital expenditures guidance is unchanged. We have completed the majority of our F&D capital program for the year, with approximately 66%(2) of our full-year capital budget invested in the first six months of 2025. The remainder of our 2025 capital program will be focused on bringing high-rate natural gas wells on production in Q4 2025 as a result of our stronger outlook for natural gas pricing in the back half of 2025. For the remainder of 2025, we anticipate that we will generate substantial free funds flow, which will primarily be directed towards reducing total debt(3) by approximately 23% as compared to year end 2024(4), after the payment of our base dividend."

Q2 2025 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Delivered average production of 79,480 boe/d (82% natural gas, 9% NGLs, 7% condensate and 2% light oil), a 1% increase from Q2 2024.
- Birchcliff's condensate production increased by 28% in Q2 2025 as compared to Q1 2025.
- Generated adjusted funds flow of $94.5 million, or $0.35 per basic common share(5), a 76% and 75% increase, respectively, from Q2 2024. Cash flow from operating activities was $109.6 million, a 308% increase from Q2 2024.
- Birchcliff's market diversification contributed to an effective average realized natural gas sales price(5) of $3.82/Mcf in Q2 2025, which represents an 88% premium to the average benchmark AECO 7A Monthly Index price in the quarter.
- Achieved an operating netback(5) of $13.68/boe, a 27% increase from Q2 2024.
- Birchcliff had a very active second quarter capital program, drilling 6 (6.0 net) wells and bringing 12 (12.0 net) wells on production, with F&D capital expenditures totalling $73.3 million in Q2 2025.

Birchcliff's unaudited interim condensed financial statements for the three and six months ended June 30, 2025 and related management's discussion and analysis will be available on its website at www.birchcliffenergy.com and on SEDAR+ at www.sedarplus.ca and Birchcliff's updated corporate presentation will be available on its website at www.birchcliffenergy.com.

(1) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(2) Based on the mid-point of Birchcliff's 2025 capital budget of $260 million to $300 million.

(3) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

(4) Based on the mid-point of Birchcliff's total debt guidance range at year end 2025 of $395 million to $435 million and as compared to Birchcliff's total debt at December 31, 2024 of $535.6 million.

(5) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

DECLARATION OF Q3 2025 QUARTERLY DIVIDEND

- Birchcliff's board of directors (the "**Board**") has declared a quarterly cash dividend of $0.03 per common share for the quarter ending September 30, 2025.
- The dividend will be payable on September 29, 2025 to shareholders of record at the close of business on September 15, 2025. The dividend has been designated as an eligible dividend for the purposes of the *Income Tax Act* (Canada).

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. For further information regarding the forward-looking statements and forward-looking information contained herein, see "Advisories – Forward-Looking Statements". With respect to the disclosure of Birchcliff's production contained in this press release, production volumes have been disclosed on a "gross" basis, as such term is defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**"). For further information regarding the disclosure of Birchcliff's production contained herein, see "Advisories – Production". In addition, this press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" as such terms are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("**NI 52-112**"). Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and might not be comparable to similar financial measures disclosed by other issuers. For further information regarding the non-GAAP and other financial measures used in this press release, see "Non-GAAP and Other Financial Measures".*

Q2 2025 UNAUDITED FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
OPERATING				
Average production				
Light oil *(bbls/d)*	1,571	2,419	1,682	1,972
Condensate *(bbls/d)*	5,439	4,467	4,842	4,616
NGLs *(bbls/d)*	6,898	6,634	7,260	7,015
Natural gas *(Mcf/d)*	393,435	389,026	387,860	379,657
Total *(boe/d)*	**79,480**	**78,358**	**78,427**	**76,880**
Average realized sales prices *(CDN$)*				
Light oil *(per bbl)*	83.23	104.70	89.62	101.04
Condensate *(per bbl)*	86.44	106.56	91.46	103.31
NGLs *(per bbl)*	20.76	26.56	24.52	27.10
Natural gas *(per Mcf)*	2.82	1.82	3.22	2.21
Total *(per boe)*	**23.30**	**20.61**	**25.76**	**22.17**
NETBACK AND COST *($/boe)*				
Petroleum and natural gas revenue	23.30	20.61	25.76	22.18
Royalty expense	(0.94)	(0.96)	(1.54)	(1.52)
Operating expense	(2.87)(1)	(3.43)	(2.95)(1)	(3.63)
Transportation and other expense(2)	(5.81)	(5.44)	(5.61)	(5.23)
Operating netback(2)	**13.68**	**10.78**	**15.66**	**11.80**
G&A expense, net	(1.27)	(1.25)	(1.34)	(1.26)
Interest expense	(1.26)	(1.28)	(1.27)	(1.22)
Lease interest expense	(0.31)(1)	-	(0.32)(1)	-
Realized gain (loss) on financial instruments	2.23	(0.73)	2.69	(0.77)
Other cash income	-	0.01	-	0.01
Adjusted funds flow(2)	**13.07**	**7.53**	**15.42**	**8.56**
Depletion and depreciation expense	(8.87)	(8.53)	(8.93)	(8.54)
Unrealized gain (loss) on financial instruments	(6.24)	9.92	(1.45)	3.45
Other expenses(3)	(0.39)	(0.40)	(0.43)	(0.47)
Deferred income tax (expense) recovery	0.51	(2.02)	(0.96)	(0.76)
Net income (loss) to common shareholders	**(1.92)**	**6.50**	**3.65**	**2.24**
FINANCIAL				
Petroleum and natural gas revenue *($000s)*	168,518	146,976	365,706	310,280
Cash flow from operating activities *($000s)*	109,617	26,871	235,714	92,126
Adjusted funds flow *($000s)*(4)	94,515	53,664	218,928	119,745
Per basic common share *($)*(2)	0.35	0.20	0.80	0.45
Free funds flow *($000s)*(4)	21,252	5,283	33,846	(31,409)
Per basic common share *($)*(2)	0.08	0.02	0.12	(0.12)
Net income (loss) to common shareholders *($000s)*	(13,895)	46,380	51,832	31,345
Per basic common share *($)*	(0.05)	0.17	0.19	0.12
End of period basic common shares *(000s)*	272,884	269,131	272,884	269,131
Weighted average basic common shares *(000s)*	272,347	268,878	271,982	268,391
Dividends on common shares *($000s)*	8,178	26,907	16,329	53,764
F&D capital expenditures *($000s)*(5)	73,263	48,381	185,082	151,154
Total capital expenditures *($000s)*(4)	73,715	48,702	186,188	152,186
Revolving term credit facilities *($000s)*	528,660	481,163	528,660	481,163
Total debt *($000s)*(6)	523,129	465,195	523,129	465,195

(1) Effective July 1, 2024, Birchcliff assumed operatorship of a third-party natural gas processing facility that resulted in the take-or-pay commitment associated with the underlying processing arrangement (the "**Gas Processing Lease**") being classified as a lease under IFRS Accounting Standards. Birchcliff's operating expense and lease interest expense for the three and six months ended June 30, 2025 include the financial effects of the Gas Processing Lease.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Includes non-cash items such as other compensation, accretion, amortization of deferred financing fees and gains and losses.

(4) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(5) See *"Advisories – F&D Capital Expenditures"*.

(6) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

Q2 2025 FINANCIAL AND OPERATIONAL RESULTS

Production

- Birchcliff's production averaged 79,480 boe/d in Q2 2025, a 1% increase from Q2 2024. The increase was primarily due to the strong performance of the Corporation's capital program and the successful drilling of new Montney/Doig wells brought on production since Q2 2024. Production in Q2 2025 was negatively impacted by natural production declines and a planned turnaround at its Pouce Coupe gas plant, which was completed in the quarter.

- Liquids accounted for 18% of Birchcliff's total production in Q2 2025 as compared to 17% in Q2 2024. The increase was primarily due to Birchcliff specifically targeting condensate-rich natural gas wells in Pouce Coupe and Gordondale, which resulted in a 22% increase in condensate production in Q2 2025 as compared to Q2 2024. The increased liquids production weighting was partially offset by a 35% decrease in light oil production, primarily resulting from natural production declines from a 4-well light oil pad, which was brought on production in Gordondale in Q2 2024.

Adjusted Funds Flow and Cash Flow From Operating Activities

- Birchcliff's adjusted funds flow was $94.5 million in Q2 2025, or $0.35 per basic common share, a 76% and 75% increase, respectively, from Q2 2024.

- Birchcliff's cash flow from operating activities was $109.6 million in Q2 2025, a 308% increase from Q2 2024.

- The increases were primarily due to higher natural gas revenue, which largely resulted from a 55% increase in the average realized sales price Birchcliff received for its natural gas production in Q2 2025 as compared to Q2 2024. Adjusted funds flow and cash flow from operating activities were also positively impacted by a realized gain on financial instruments of $16.0 million in Q2 2025 as compared to a realized loss on financial instruments of $5.2 million in Q2 2024. Cash flow from operating activities was also impacted by changes in non-cash operating working capital and decommissioning expenditures.

Net Income (Loss) to Common Shareholders

- Birchcliff reported a net loss to common shareholders of $13.9 million in Q2 2025, or $0.05 per basic common share, as compared to net income to common shareholders of $46.4 million and $0.17 per basic common share in Q2 2024.

- The change to a net loss position was primarily due to an unrealized loss on financial instruments of $45.1 million in Q2 2025 as compared to an unrealized gain on financial instruments of $70.7 million in Q2 2024, partially offset by higher adjusted funds flow and a deferred income tax recovery of $3.7 million in Q2 2025 as compared to a deferred income tax expense of $14.4 million in Q2 2024.

Capital Activities and Investment

- Birchcliff had a very active second quarter capital program, drilling 6 (6.0 net) wells and bringing 12 (12.0 net) wells on production, with F&D capital expenditures totalling $73.3 million in Q2 2025. Capital expenditures in the quarter were less than Birchcliff's initial forecast, largely due to facilities, maintenance and infrastructure capital project deferrals to Q3 2025.

Debt and Credit Facilities

- Total debt at June 30, 2025 was $523.1 million, a 12% increase from June 30, 2024 and a 2% decrease from December 31, 2024.

- At June 30, 2025, Birchcliff had a balance outstanding under its extendible revolving credit facilities (the "**Credit Facilities**") of $533.7 million (June 30, 2024: $485.8 million) from available Credit Facilities of $850.0 million (June 30, 2024: $850 million), leaving the Corporation with $316.3 million (37%) of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized deferred financing fees.

- During Q2 2025, Birchcliff extended the maturity date of its Credit Facilities to May 11, 2028, while maintaining the borrowing base limit at $850 million.

Natural Gas Market Diversification

- Birchcliff's physical natural gas sales exposure primarily consists of the AECO, Dawn and Alliance markets. In addition, the Corporation has various financial instruments outstanding that provide it with exposure to NYMEX HH pricing.
- The following table sets forth Birchcliff's effective sales, production and average realized sales price for its natural gas and liquids for Q2 2025, after taking into account the Corporation's financial instruments:

Three months ended June 30, 2025						
	Effective sales *(CDN$000s)*	Percentage of total sales *(%)*	Effective production *(per day)*	Percentage of total natural gas production *(%)*	Percentage of total corporate production *(%)*	Effective average realized sales price *(CDN$)*
Market						
AECO(1)(2)	16,729	8	96,228 Mcf	24	20	1.91/Mcf
Dawn(3)	59,972	29	161,531 Mcf	41	34	4.08/Mcf
NYMEX HH(1)(4)	60,221	30	135,676 Mcf	35	28	4.88/Mcf
Total natural gas(1)	**136,922**	**67**	**393,435 Mcf**	**100**	**82**	**3.82/Mcf**
Light oil	11,896	6	1,571 bbls		2	83.23/bbl
Condensate	42,786	21	5,439 bbls		7	86.44/bbl
NGLs	13,032	6	6,898 bbls		9	20.76/bbl
Total liquids	**67,714**	**33**	**13,908 bbls**		**18**	**53.50/bbl**
Total corporate(1)	**204,636**	**100**	**79,480 boe**		**100**	**28.29/boe**

(1) Effective sales and effective average realized sales price on a total natural gas and total corporate basis and for the AECO and NYMEX HH markets are non-GAAP financial measures and non-GAAP ratios, respectively. See *"Non-GAAP and Other Financial Measures".*

(2) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. All of Birchcliff's short-term physical Alliance sales and production during Q2 2025 received AECO adjusted pricing and have therefore been included as effective sales and production in the AECO market.

(3) Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 GJ/d of natural gas on TransCanada PipeLines' Canadian Mainline, whereby natural gas is transported to the Dawn trading hub in Southern Ontario.

(4) NYMEX HH effective sales and production include financial NYMEX HH/AECO 7A basis swap contracts for an aggregate of 147,500 MMBtu/d at an average contract price of NYMEX HH less US$1.088/MMBtu during Q2 2025.

Birchcliff's effective average realized sales price for NYMEX HH of CDN$4.88/Mcf (US$3.27/MMBtu) was determined on a gross basis before giving effect to the average NYMEX HH/AECO 7A fixed contract basis differential price of CDN$1.63/Mcf (US$1.088/MMBtu) and includes any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q2 2025.

After giving effect to the NYMEX HH/AECO 7A fixed contract basis differential price and including any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q2 2025, Birchcliff's effective average realized net sales price for NYMEX HH was CDN$3.25/Mcf (US$2.18/MMBtu) in Q2 2025.

- The following table sets forth Birchcliff's physical sales, production, average realized sales price, transportation costs and natural gas sales netback by natural gas market for the periods indicated, before taking into account the Corporation's financial instruments:

Three months ended June 30, 2025							
Natural gas market	Natural gas sales *(CDN$000s)*	Percentage of natural gas sales *(%)*	Natural gas production *(Mcf/d)*	Percentage of natural gas production *(%)*	Average realized natural gas sales price *(CDN$/Mcf)*	Natural gas transportation costs(1) *(CDN$/Mcf)*	Natural gas sales netback(2) *(CDN$/Mcf)*
AECO	40,513	40	227,723	58	1.96	0.46	1.50
Dawn	59,972	59	161,531	41	4.08	1.54	2.54
Alliance(3)	310	1	4,181	1	0.82	-	0.82
Total	**100,795**	**100**	**393,435**	**100**	**2.82**	**0.90**	**1.92**
Three months ended June 30, 2024							
Natural gas market	Natural gas sales *(CDN$000s)*	Percentage of natural gas sales *(%)*	Natural gas production *(Mcf/d)*	Percentage of natural gas production *(%)*	Average realized natural gas sales price *(CDN$/Mcf)*	Natural gas transportation costs(1) *(CDN$/Mcf)*	Natural gas sales netback(2) *(CDN$/Mcf)*
AECO	28,987	45	223,382	57	1.44	0.41	1.04
Dawn	35,084	54	161,234	42	2.39	1.47	0.92
Alliance(3)	475	1	4,410	1	1.18	-	1.18
Total	**64,546**	**100**	**389,026**	**100**	**1.82**	**0.85**	**0.98**

(1) Reflects costs to transport natural gas from the field receipt point to the delivery sales trading hub.

(2) Natural gas sales netback denotes the average realized natural gas sales price less natural gas transportation costs.

(3) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. Alliance sales are indexed to the AECO 5A benchmark index price and are recorded net of transportation tolls.

OPERATIONAL UPDATE

- Birchcliff's 2025 capital budget of $260 million to $300 million includes the drilling of 25 (25.0 net) wells and the bringing on production of 26 (26.0 net) wells in 2025. Year-to-date, the Corporation has drilled 23 (23.0 net) wells and brought 20 (20.0 net) wells on production.
- In the first half of 2025, Birchcliff continued to deliver strong execution metrics, demonstrating its focus on continuous improvement, operational efficiency and capital discipline. The pads brought on production year-to-date are yielding attractive netbacks, with four of the first five pads successfully targeting condensate-rich natural gas. Additionally, Birchcliff safely and successfully completed its planned turnaround at its Pouce Coupe gas plant and a maintenance project at AltaGas' gas plant in Gordondale, which is operated by the Corporation.
- The Corporation plans to complete various compressor maintenance projects at its facilities during Q3 2025. These proactive projects are expected to reduce downtime in Q4 2025 when natural gas prices are forecast to be stronger.
- Birchcliff has commenced various projects to prepare for the efficient execution of its 2026 capital program. This includes the drilling of 3 wells in Gordondale, as well as pad-site construction activities.

Pouce Coupe

- Year-to-date, Birchcliff has brought four pads (16 wells) on production in Pouce Coupe through its permanent facilities.
- In Q1 2025, the 5 wells brought on production on Birchcliff's 04-05 pad targeted high-rate natural gas in the Lower Montney.
- In Q2 2025, the remaining 11 wells were brought on production through the Corporation's permanent facilities and targeted condensate-rich natural gas in the Lower Montney. All of these wells are showing strong rates and significant condensate production. Early well performance indicates low decline rates, as highlighted in the tables below, which summarize the aggregate and average production rates for these wells.

3-Well 07-10 Pad IP Rates

	Wells: IP 30[(1)]	**Wells: IP 60**[(1)]
Aggregate production rate *(boe/d)*	**3,248**	**2,976**
Aggregate natural gas production rate *(Mcf/d)*	17,587	16,187
Aggregate condensate production rate *(bbls/d)*	317	278
Average per well production rate *(boe/d)*	**1,083**	**992**
Average per well natural gas production rate *(Mcf/d)*	5,862	5,396
Average per well condensate production rate *(bbls/d)*	106	93
Condensate-to-gas ratio *(bbls/MMcf)*	**18**	**17**

4-Well 05-19 Pad IP Rates

	Wells: IP 30[(1)]	**Wells: IP 60**[(1)]
Aggregate production rate *(boe/d)*	**4,285**	**3,777**
Aggregate natural gas production rate *(Mcf/d)*	19,299	17,802
Aggregate condensate production rate *(bbls/d)*	1,068	810
Average per well production rate *(boe/d)*	**1,071**	**944**
Average per well natural gas production rate *(Mcf/d)*	4,825	4,451
Average per well condensate production rate *(bbls/d)*	267	202
Condensate-to-gas ratio *(bbls/MMcf)*	**55**	**45**

4-Well 03-06 Pad IP Rates

	Wells: IP 30[(1)]	**Wells: IP 60**[(1)]
Aggregate production rate *(boe/d)*	**4,573**	**3,913**
Aggregate natural gas production rate *(Mcf/d)*	13,772	12,560
Aggregate condensate production rate *(bbls/d)*	2,278	1,820
Average per well production rate *(boe/d)*	**1,143**	**978**
Average per well natural gas production rate *(Mcf/d)*	3,443	3,140
Average per well condensate production rate *(bbls/d)*	570	455
Condensate-to-gas ratio *(bbls/MMcf)*	**166**	**145**

(1) Represents the cumulative volumes for each well measured at the wellhead separator for the 30 or 60 days (as applicable) of production immediately after each well was considered stabilized after producing fracture treatment fluid back to surface in an amount such that flow rates of hydrocarbons became reliable. The natural gas volumes represent raw natural gas volumes as opposed to sales gas volumes. See *"Advisories – Initial Production Rates"*.

- Birchcliff recently completed the drilling of 6 wells on its 07-10 pad and completions are currently underway, with the wells expected to be turned over to production in early Q4 2025. This pad is targeting high-rate natural gas wells in the Lower Montney.

Gordondale

- Birchcliff's 4-well 02-27 pad was brought on production through the Corporation's permanent facilities in May 2025 and targeted condensate-rich natural gas wells in the Lower Montney. Early well performance indicates strong rates and significant condensate production, exhibiting low decline rates, as highlighted in the table below, which summarizes the aggregate and average production rates for the wells from the pad.

4-Well 02-27 Pad IP Rates

	Wells: IP 30[1]	Wells: IP 60[1]
Aggregate production rate *(boe/d)*	**4,162**	**3,810**
Aggregate natural gas production rate *(Mcf/d)*	18,921	17,946
Aggregate condensate production rate *(bbls/d)*	1,009	819
Average per well production rate *(boe/d)*	**1,041**	**952**
Average per well natural gas production rate *(Mcf/d)*	4,730	4,487
Average per well condensate production rate *(bbls/d)*	252	205
Condensate-to-gas ratio *(bbls/MMcf)*	**53**	**46**

(1) Represents the cumulative volumes for each well measured at the wellhead separator for the 30 or 60 days (as applicable) of production immediately after each well was considered stabilized after producing fracture treatment fluid back to surface in an amount such that flow rates of hydrocarbons became reliable. The natural gas volumes represent raw natural gas volumes as opposed to sales gas volumes. See *"Advisories – Initial Production Rates"*.

- As part of its preparation for the efficient execution of its 2026 capital program, Birchcliff has commenced drilling an additional 3 wells on its 02-27 pad, targeting condensate-rich natural gas in the Lower Montney.

Elmworth

- Birchcliff recently received approval to participate in Alberta Energy's Emerging Resource Program for a significant portion of its Elmworth Montney lands, resulting in an advantageous royalty rate structure on its crown acreage in the area.
- Birchcliff continues to progress the formal planning for the construction of the first phase (80 MMcf/d) of its proposed 100% owned and operated natural gas processing plant in the Elmworth area.

2025 GUIDANCE

- Birchcliff is reaffirming its 2025 annual average production guidance of 76,000 to 79,000 boe/d and F&D capital expenditures guidance of $260 million to $300 million.
- As a result of the continued volatility in natural gas commodity prices, which has been primarily driven by supply outpacing demand for natural gas in North America, Birchcliff has lowered its natural gas commodity price assumptions for the remainder of 2025 and revised its guidance for adjusted funds flow, free funds flow and total debt accordingly. In addition, the Corporation has lowered its royalty expense guidance for 2025, primarily due to lower natural gas prices forecasted for the remainder of the year.
- Notwithstanding the Corporation's lower forecast for free funds flow in 2025, Birchcliff continues to expect that it will significantly strengthen its balance sheet in 2025, with free funds flow (after the payment of dividends) anticipated to be allocated primarily towards debt reduction. Based on its current commodity price assumptions, Birchcliff now expects to exit 2025 with total debt of $395 million to $435 million, which represents a reduction of approximately 23% from its total debt at year end 2024 of $535.6 million.
- The following tables set forth Birchcliff's updated and previous guidance and commodity price assumptions for 2025, as well as its free funds flow sensitivity:

	Updated 2025 guidance and assumptions – August 13, 2025[1]	Previous 2025 guidance and assumptions – May 14, 2025
Production		
Annual average production *(boe/d)*	76,000 – 79,000	76,000 – 79,000
% Light oil	3%	3%
% Condensate	6%	6%
% NGLs	9%	9%
% Natural gas	82%	82%
Average Expenses *($/boe)*		
Royalty	$1.45 – $1.65	$1.90 – $2.10
Operating	$2.90 – $3.10	$2.90 – $3.10
Transportation and other[2]	$5.55 – $5.75	$5.55 – $5.75
Adjusted Funds Flow *(millions)*[3]	$445	$480
F&D Capital Expenditures *(millions)*	$260 – $300	$260 – $300
Free Funds Flow *(millions)*[3]	$145 – $185	$180 – $220
Total Debt at Year End *(millions)*[4]	$395 – $435	$365 – $405
Natural Gas Market Exposure		
AECO exposure as a % of total natural gas production	23%	23%
Dawn exposure as a % of total natural gas production	41%	41%
NYMEX HH exposure as a % of total natural gas production	35%	35%
Alliance exposure as a % of total natural gas production	1%	1%
Commodity Prices		
Average WTI price *(US$/bbl)*	$66.00[5]	$61.75
Average WTI-MSW differential *(CDN$/bbl)*	$4.95[5]	$5.60
Average AECO price *(CDN$/GJ)*	$2.00[5]	$2.30
Average Dawn price *(US$/MMBtu)*	$3.35[5]	$3.65
Average NYMEX HH price *(US$/MMBtu)*	$3.65[5]	$3.95
Exchange rate *(CDN$ to US$1)*	1.39[5]	1.41

Forward five months' free funds flow sensitivity[5][6]	Estimated change to 2025 free funds flow *(millions)*
Change in WTI US$1.00/bbl	$1.5
Change in NYMEX HH US$0.10/MMBtu	$2.5
Change in Dawn US$0.10/MMBtu	$3.4
Change in AECO CDN$0.10/GJ	$1.5
Change in CDN/US exchange rate CDN$0.01	$2.1

(1) Birchcliff's guidance for its production commodity mix, adjusted funds flow, free funds flow, total debt and natural gas market exposure in 2025 is based on an annual average production rate of 77,500 boe/d in 2025, which is the mid-point of Birchcliff's annual average production guidance range for 2025. Changes in assumed commodity prices and variances in production forecasts can have an impact on the Corporation's forecasts of adjusted funds flow and free funds flow and the Corporation's other guidance, which impact could be material. In addition, any acquisitions or dispositions completed over the course of 2025 could have an impact on Birchcliff's 2025 guidance and assumptions set forth herein, which impact could be material. For further information regarding the risks and assumptions relating to the Corporation's guidance, see *"Advisories – Forward-Looking Statements"*.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(4) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

(5) Birchcliff's updated commodity price and exchange rate assumptions and free funds flow sensitivity for 2025 are based on anticipated full-year averages using the Corporation's anticipated forward benchmark commodity prices and the CDN/US exchange rate as of August 5, 2025, which include settled benchmark commodity prices and the CDN/US exchange rate for the period from January 1, 2025 to July 31, 2025.

(6) Illustrates the expected impact of changes in commodity prices and the CDN/US exchange rate on the Corporation's updated forecast of free funds flow for 2025, holding all other variables constant. The sensitivity is based on the updated commodity price and exchange rate assumptions set forth in the table above. The calculated impact on free funds flow is only applicable within the limited range of change indicated. Calculations are performed independently and may not be indicative of actual results. Actual results may vary materially when multiple variables change at the same time and/or when the magnitude of the change increases.

- The Corporation has initiated its formal budgeting process for 2026 and expects to release preliminary high-level guidance for 2026 on November 12, 2025, along with its Q3 2025 results.

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
bbl	barrel
bbls	barrels
bbls/d	barrels per day
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
condensate	pentanes plus (C5+)
F&D	finding and development
G&A	general and administrative
GAAP	generally accepted accounting principles for Canadian public companies, which are currently IFRS Accounting Standards
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IP	initial production
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
MSW	price for mixed sweet crude oil at Edmonton, Alberta
NGLs	natural gas liquids consisting of ethane (C2), propane (C3) and butane (C4) and specifically excluding condensate
NYMEX	New York Mercantile Exchange
OPEC	Organization of the Petroleum Exporting Countries
Q	quarter
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
000s	thousands
$000s	thousands of dollars

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below.

Non-GAAP Financial Measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation. The non-GAAP financial measures used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP financial measures as indicators of Birchcliff's performance. Set forth below is a description of the non-GAAP financial measures used in this press release.

Adjusted Funds Flow and Free Funds Flow

Birchcliff defines "adjusted funds flow" as cash flow from operating activities before the effects of decommissioning expenditures, retirement benefit payments and changes in non-cash operating working capital. Birchcliff eliminates settlements of decommissioning expenditures from cash flow from operating activities as the amounts can be discretionary and may vary from period to period depending on its capital programs and the maturity of its operating areas. The settlement of decommissioning expenditures is managed with Birchcliff's capital budgeting process which considers available adjusted funds flow. Birchcliff eliminates retirement benefit payments from cash flow from operating activities as such payments reflect costs for past service and contributions made by eligible executives under the Corporation's post-employment benefit plan, which are not indicative of the current period. Changes in non-cash operating working capital are eliminated in the determination of adjusted funds flow as the timing of collection and payment are variable and by excluding them from the calculation, the Corporation believes that it is able to provide a more meaningful measure of its operations and ability to generate cash on a continuing basis. Management believes that adjusted funds flow assists management and investors in assessing Birchcliff's financial performance after deducting all operating and corporate cash costs, as well as its ability to generate the cash necessary to fund sustaining and/or growth capital expenditures, repay debt, settle decommissioning obligations, buy back common shares and pay dividends.

Birchcliff defines "free funds flow" as adjusted funds flow less F&D capital expenditures. Management believes that free funds flow assists management and investors in assessing Birchcliff's ability to generate shareholder value and returns through a number of initiatives, including, but not limited to, debt repayment, common share buybacks, the payment of common share dividends, acquisitions and other opportunities that would complement or otherwise improve the Corporation's business and enhance long-term shareholder value.

The most directly comparable GAAP financial measure to adjusted funds flow and free funds flow is cash flow from operating activities. The following table provides a reconciliation of cash flow from operating activities to adjusted funds flow and free funds flow for the periods indicated:

	Three months ended June 30		**Six months ended June 30**		**Twelve months ended December 31,**
($000s)	**2025**	**2024**	**2025**	**2024**	**2024**
Cash flow from operating activities	**109,617**	**26,871**	**235,714**	**92,126**	**203,710**
Change in non-cash operating working capital	(15,558)	26,578	(17,752)	13,415	17,269
Decommissioning expenditures	456	215	966	353	1,964
Retirement benefit payments	-	-	-	13,851	13,851
Adjusted funds flow	**94,515**	**53,664**	**218,928**	**119,745**	**236,794**
F&D capital expenditures	(73,263)	(48,381)	(185,082)	(151,154)	(273,084)
Free funds flow	**21,252**	**5,283**	**33,846**	**(31,409)**	**(36,290)**

Birchcliff has disclosed in this press release forecasts of adjusted funds flow and free funds flow for 2025, which are forward-looking non-GAAP financial measures. See *"2025 Guidance"*. The equivalent historical non-GAAP financial measures are adjusted funds flow and free funds flow for the twelve months ended December 31, 2024. Birchcliff anticipates the forward-looking non-GAAP financial measures for adjusted funds flow and free funds flow disclosed herein will be higher than their respective historical amounts, primarily due to higher anticipated benchmark natural gas prices in 2025 as compared to 2024. The commodity price assumptions on which the Corporation's guidance is based are set forth under the heading *"2025 Guidance"*.

Transportation and Other Expense

Birchcliff defines "transportation and other expense" as transportation expense plus marketing purchases less marketing revenue. Birchcliff may enter into certain marketing purchase and sales arrangements with the objective of reducing any unused transportation or fractionation fees associated with its take-or-pay commitments and/or increasing the value of its production through value-added downstream initiatives. Management believes that transportation and other expense assists management and investors in assessing Birchcliff's total cost structure related to transportation and marketing activities. The most directly comparable GAAP financial measure to transportation and other expense is transportation expense. The following table provides a reconciliation of transportation expense to transportation and other expense for the periods indicated:

	Three months ended June 30		**Six months ended June 30**		**Twelve months ended December 31,**
($000s)	**2025**	**2024**	**2025**	**2024**	**2024**
Transportation expense	**40,110**	**39,928**	**77,629**	**76,553**	**149,534**
Marketing purchases	4,658	14,950	19,568	22,061	51,496
Marketing revenue	(2,688)	(16,046)	(17,436)	(25,514)	(54,069)
Transportation and other expense	**42,080**	**38,832**	**79,761**	**73,100**	**146,961**

Operating Netback

Birchcliff defines "operating netback" as petroleum and natural gas revenue less royalty expense, operating expense and transportation and other expense. Operating netback is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback assists management and investors in assessing Birchcliff's operating profits after deducting the cash costs that are directly associated with the sale of its production, which can then be used to pay other corporate cash costs or satisfy other obligations. The following table provides a breakdown of Birchcliff's operating netback for the periods indicated:

	Three months ended June 30		Six months ended June 30	
($000s)	**2025**	**2024**	**2025**	**2024**
Petroleum and natural gas revenue	168,518	146,976	365,706	310,280
Royalty expense	(6,768)	(6,824)	(21,807)	(21,291)
Operating expense	(20,746)	(24,422)	(41,879)	(50,849)
Transportation and other expense	(42,080)	(38,832)	(79,761)	(73,100)
Operating netback	**98,924**	**76,898**	**222,259**	**165,040**

Total Capital Expenditures

Birchcliff defines "total capital expenditures" as exploration and development expenditures less dispositions plus acquisitions (if any) and plus administrative assets. Management believes that total capital expenditures assists management and investors in assessing Birchcliff's overall capital cost structure associated with its petroleum and natural gas activities. The most directly comparable GAAP financial measure to total capital expenditures is exploration and development expenditures. The following table provides a reconciliation of exploration and development expenditures to total capital expenditures for the periods indicated:

	Three months ended June 30		Six months ended June 30	
($000s)	**2025**	**2024**	**2025**	**2024**
Exploration and development expenditures(1)	**73,263**	**48,381**	**185,082**	**151,154**
Dispositions	-	-	-	(109)
Administrative assets	452	321	1,106	1,141
Total capital expenditures	**73,715**	**48,702**	**186,188**	**152,186**

(1) Disclosed as F&D capital expenditures elsewhere in this press release. See "*Advisories – F&D Capital Expenditures*".

Effective Sales – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff defines "effective sales" in the AECO market and NYMEX HH market as the sales amount received from the production of natural gas that is effectively attributed to the AECO and NYMEX HH market pricing, respectively, and does not consider the physical sales delivery point in each case. Effective sales in the NYMEX HH market includes realized gains and losses on financial instruments and excludes the notional fixed basis costs associated with the underlying financial contract in the period. Birchcliff defines "effective total natural gas sales" as the aggregate of the effective sales amount received in each natural gas market. Birchcliff defines "effective total corporate sales" as the aggregate of the effective total natural gas sales and the sales amount received from the production of light oil, condensate and NGLs. Management believes that disclosing the effective sales for each natural gas market assists management and investors in assessing Birchcliff's natural gas diversification and commodity price exposure to each market. The most directly comparable GAAP financial measure to effective total natural gas sales and effective total corporate sales is natural gas sales. The following table provides a reconciliation of natural gas sales to effective total natural gas sales and effective total corporate sales for the periods indicated:

Three months ended *($000s)*	**June 30, 2025**	**June 30, 2024**
Natural gas sales	**100,795**	**64,546**
Realized gain (loss) on financial instruments	16,048	(5,170)
Notional fixed basis costs(1)	20,079	20,531
Effective total natural gas sales	**136,922**	**79,907**
Light oil sales	11,896	23,045
Condensate sales	42,786	43,318
NGLs sales	13,032	16,037
Effective total corporate sales	**204,636**	**162,307**

(1) Reflects the aggregate notional fixed basis cost associated with Birchcliff's financial NYMEX HH/AECO 7A basis swap contracts in the period.

Non-GAAP Ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. The non-GAAP ratios used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Set forth below is a description of the non-GAAP ratios used in this press release.

Adjusted Funds Flow Per Boe and Adjusted Funds Flow Per Basic Common Share

Birchcliff calculates "adjusted funds flow per boe" as aggregate adjusted funds flow in the period divided by the production (boe) in the period. Management believes that adjusted funds flow per boe assists management and investors in assessing Birchcliff's financial profitability and sustainability on a cash basis by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Birchcliff calculates "adjusted funds flow per basic common share" as aggregate adjusted funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that adjusted funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength on a per common share basis.

Free Funds Flow Per Basic Common Share

Birchcliff calculates "free funds flow per basic common share" as aggregate free funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that free funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength and its ability to deliver shareholder returns on a per common share basis.

Transportation and Other Expense Per Boe

Birchcliff calculates "transportation and other expense per boe" as aggregate transportation and other expense in the period divided by the production (boe) in the period. Management believes that transportation and other expense per boe assists management and investors in assessing Birchcliff's cost structure as it relates to its transportation and marketing activities by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Operating Netback Per Boe

Birchcliff calculates "operating netback per boe" as aggregate operating netback in the period divided by the production (boe) in the period. Operating netback per boe is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback per boe assists management and investors in assessing Birchcliff's operating profitability and sustainability by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Effective Average Realized Sales Price – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff calculates "effective average realized sales price" as effective sales, in each of total corporate, total natural gas, AECO market and NYMEX HH market, as the case may be, divided by the effective production in each of the markets during the period. Management believes that disclosing the effective average realized sales price for each natural gas market assists management and investors in comparing Birchcliff's commodity price realizations in each natural gas market on a per unit basis.

Capital Management Measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Set forth below is a description of the capital management measure used in this press release.

Total Debt

Birchcliff calculates "total debt" at the end of the period as the amount outstanding under the Corporation's Credit Facilities plus working capital deficit (less working capital surplus) plus the fair value of the current asset portion of financial instruments less the current portion of other liabilities discounted to the end of the period. The current portion of other liabilities has been excluded from total debt as these amounts have not been incurred and reflect future commitments in the normal course of operations. Management believes that total debt assists management and investors in assessing Birchcliff's overall liquidity and financial position at the end of the period. The following table provides a reconciliation of the amount outstanding under the Corporation's Credit Facilities, as determined in accordance with GAAP, to total debt for the periods indicated:

As at ($000s)	June 30, 2025	December 31, 2024	June 30, 2024
Revolving term credit facilities	**528,660**	**566,857**	**481,163**
Working capital surplus[(1)]	(49,502)	(88,953)	(40,836)
Fair value of financial instruments – asset[(2)]	58,011	71,038	30,005
Other liabilities[(2)]	(14,040)	(13,385)	(5,137)
Total debt	**523,129**	**535,557**	**465,195**

(1) Current liabilities less current assets.

(2) Reflects the current portion only.

ADVISORIES

Unaudited Information

All financial and operational information contained in this press release for the three and six months ended June 30, 2025 and 2024 is unaudited.

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, all references to "$" and "CDN$" are to Canadian dollars and all references to "US$" are to United States dollars.

Boe Conversions

Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to 1 bbl of oil. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

MMBtu Pricing Conversions

$1.00 per MMBtu equals $1.00 per Mcf based on a standard heat value Mcf.

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry, including operating netback. These oil and gas metrics do not have any standardized meanings or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Birchcliff's performance over time; however, such measures are not reliable indicators of Birchcliff's future performance, which may not compare to Birchcliff's performance in previous periods, and therefore should not be unduly relied upon. For additional information regarding operating netback and how such metric is calculated, see *"Non-GAAP and Other Financial Measures".*

Production

With respect to the disclosure of Birchcliff's production contained in this press release: (i) references to "light oil" mean "light crude oil and medium crude oil" as such term is defined in NI 51-101; (ii) references to "liquids" mean "light crude oil and medium crude oil" and "natural gas liquids" (including condensate) as such terms are defined in NI 51-101; and (iii) references to "natural gas" mean "shale gas", which also includes an immaterial amount of "conventional natural gas", as such terms are defined in NI 51-101. In addition, NI 51-101 includes condensate within the product type of natural gas liquids. Birchcliff has disclosed condensate separately from other natural gas liquids as the price of condensate as compared to other natural gas liquids is currently significantly higher and Birchcliff believes presenting the two commodities separately provides a more accurate description of its operations and results therefrom.

With respect to the disclosure of Birchcliff's production contained in this press release, all production volumes have been disclosed on a "gross" basis as such term is defined in NI 51-101, meaning Birchcliff's working interest (operating or non-operating) share before the deduction of royalties and without including any royalty interests of Birchcliff.

Initial Production Rates

Any references in this press release to initial production rates or other short-term production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue to produce and decline thereafter and are not indicative of the long-term performance or the ultimate recovery of such wells. In addition, such rates may also include recovered "load oil" or "load water" fluids used in well completion stimulation. Readers are cautioned not to place undue reliance on such rates in calculating the aggregate production for Birchcliff. Such rates are based on field estimates and may be based on limited data available at this time.

With respect to the production rates for the Corporation's 3-well 07-10, 4-well 05-19, 4-well 03-06 and 4-well 02-27 pads disclosed herein, such rates represent the cumulative volumes for each well measured at the wellhead separator for the 30 and 60 days (as applicable) of production immediately after each well was considered stabilized after producing fracture treatment fluid back to surface in an amount such that flow rates of hydrocarbons became reliable, divided by 30 or 60 (as applicable), which were then added together to determine the aggregate production rates for the pad and then divided by the number of wells for the pad to determine the per well average production rates. The production rates excluded the hours and days when the wells did not produce. To-date, no pressure transient or well-test interpretation has been carried out on any of the wells. The natural gas volumes represent raw natural gas volumes as opposed to sales gas volumes.

F&D Capital Expenditures

References in this press release to "F&D capital expenditures" denotes exploration and development expenditures as disclosed in the Corporation's financial statements in accordance with GAAP and is primarily comprised of capital for land, seismic, workovers, drilling and completions, well equipment and facilities and capitalized G&A costs and excludes any acquisitions, dispositions, administrative assets and the capitalized portion of cash incentive payments that have not been approved by the Board. Management believes that F&D capital expenditures assists management and investors in assessing Birchcliff's capital cost outlay associated with its exploration and development activities for the purposes of finding and developing its reserves.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this press release relate to future events or Birchcliff's future plans, strategy, operations, performance or financial position and are based on Birchcliff's current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "seek, "plan", "focus", "future", "outlook", "position", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "guidance", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should", "would", "on track", "maintain", "deliver" and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

In particular, this press release contains forward-looking statements relating to:

- Birchcliff's plans and other aspects of its anticipated future financial performance, results, operations, focus, objectives, strategies, opportunities, priorities and goals, including: Birchcliff's continued focus on operational excellence and efficient execution; that Birchcliff continues to benefit from its natural gas market diversification; that Birchcliff remains focused on capital efficiency improvements, driving down its costs and strengthening its balance sheet; that Birchcliff has completed the majority of its F&D capital program for the year, with approximately 66% of its full-year capital budget invested in the first six months of 2025; that the remainder of Birchcliff's 2025 capital program will be focused on bringing high-rate natural gas wells on production in Q4 2025 as a result of its stronger outlook for natural gas pricing in the back half of 2025; and that for the remainder of 2025, Birchcliff anticipates that it will generate substantial free funds flow, which will primarily be directed towards reducing total debt by approximately 23% as compared to year end 2024, after the payment of its base dividend;

- the information set forth under the heading *"Operational Update"* and elsewhere in this press release regarding Birchcliff's 2025 capital program and its exploration, production and development activities and plans (including its plans for Elmworth) and the timing thereof, including: that Birchcliff's 2025 capital budget of $260 million to $300 million includes the drilling of 25 (25.0 net) wells and the bringing on production of 26 (26.0 net) wells in 2025; that the Corporation plans to complete various compressor maintenance projects at its facilities during Q3 2025 and that these proactive projects are expected to reduce downtime in Q4 2025 when natural gas prices are forecast to be stronger; that Birchcliff has commenced various projects to prepare for the efficient execution of its 2026 capital program, which includes the drilling of 3 wells in Gordondale, as well as pad-site construction activities; the expected timing for wells to be brought on production; targeted product types; that participation in Alberta Energy's Emerging Resource Program for a significant portion of its Elmworth Montney lands will result in an advantageous royalty rate structure on its crown acreage in the area; and that Birchcliff continues to progress the formal planning for the construction of the first phase (80 MMcf/d) of its proposed 100% owned and operated natural gas processing plant in the Elmworth area;
- the information set forth under the heading *"2025 Guidance"* and elsewhere in this press release as it relates to Birchcliff's guidance for 2025, including: that as a result of the continued volatility in natural gas commodity prices, which has been primarily driven by supply outpacing demand for natural gas in North America, Birchcliff has lowered its natural gas commodity price assumptions for the remainder of 2025; that notwithstanding the Corporation's lower forecast for free funds flow in 2025, Birchcliff continues to expect that it will significantly strengthen its balance sheet in 2025, with free funds flow (after the payment of dividends) anticipated to be allocated primarily towards debt reduction; that based on its current commodity price assumptions, Birchcliff now expects to exit 2025 with total debt of $395 million to $435 million, which represents a reduction of approximately 23% from its total debt at year end 2024 of $535.6 million; forecasts of annual average production, production commodity mix, average expenses, adjusted funds flow, F&D capital expenditures, free funds flow, total debt at year end, natural gas market exposure and the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's forecast of free funds flow; and that Birchcliff expects to release preliminary high-level guidance for 2026 on November 12, 2025, along with its Q3 2025 results; and
- that Birchcliff anticipates the forward-looking non-GAAP financial measures for adjusted funds flow and free funds flow disclosed herein will be higher than their respective historical amounts, primarily due to higher anticipated benchmark natural gas prices in 2025 as compared to 2024.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; tariffs and trade policies; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation's ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation, G&A and other expenses; Birchcliff's ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff's ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the approval of the Board of future dividends; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; the results of the Corporation's risk management and market diversification activities; and Birchcliff's natural gas market exposure. In addition to the foregoing assumptions, Birchcliff has made the following assumptions with respect to certain forward-looking statements contained in this press release:

- With respect to Birchcliff's 2025 guidance (as updated on August 13, 2025), such guidance is based on the commodity price, exchange rate and other assumptions set forth under the heading *"2025 Guidance"*. In addition:
    - Birchcliff's production guidance assumes that: the 2025 capital program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that Birchcliff relies on to produce its wells

and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; the construction of new infrastructure meets timing and operational expectations; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations.

  - Birchcliff's forecast of F&D capital expenditures assumes that the 2025 capital program will be carried out as currently contemplated and excludes any potential acquisitions, dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The amount and allocation of capital expenditures for exploration and development activities by area and the number and types of wells to be drilled and brought on production is dependent upon results achieved and is subject to review and modification by management on an ongoing basis throughout the year. Actual spending may vary due to a variety of factors, including commodity prices, economic conditions, results of operations and costs of labour, services and materials.

  - Birchcliff's forecasts of adjusted funds flow and free funds flow assume that: the 2025 capital program will be carried out as currently contemplated and the level of capital spending for 2025 set forth herein is met; and the forecasts of production, production commodity mix, expenses and natural gas market exposure and the commodity price and exchange rate assumptions set forth herein are met. Birchcliff's forecast of adjusted funds flow takes into account its financial basis swap contracts outstanding as at August 5, 2025 and excludes cash incentive payments that have not been approved by the Board.

  - Birchcliff's forecast of year end total debt assumes that: (i) the forecasts of adjusted funds flow and free funds flow are achieved, with the level of capital spending for 2025 met and the payment of an annual base dividend of approximately $33 million; (ii) any free funds flow remaining after the payment of dividends, asset retirement obligations and other amounts for administrative assets, financing fees and capital lease obligations is allocated towards debt reduction; and (iii) there are no buybacks of common shares, no equity issuances, no further exercises of stock options and no significant acquisitions or dispositions completed by the Corporation during 2025. The forecast of total debt excludes cash incentive payments that have not been approved by the Board.

  - Birchcliff's forecast of its natural gas market exposure assumes: (i) 175,000 GJ/d being sold on a physical basis at the Dawn price; (ii) 147,500 MMBtu/d being contracted on a financial basis at an average fixed basis differential price between AECO 7A and NYMEX HH of US$1.088/MMBtu; and (iii) 1,200 GJ/d being sold at Alliance on a physical basis at the AECO 5A price plus a premium. Birchcliff's natural gas market exposure takes into account its financial basis swap contracts outstanding as at August 5, 2025.

- With respect to statements regarding future wells to be drilled or brought on production, such statements assume: the continuing validity of the geological and other technical interpretations performed by Birchcliff's technical staff, which indicate that commercially economic volumes can be recovered from Birchcliff's lands as a result of drilling future wells; and that commodity prices and general economic conditions will warrant proceeding with the drilling of such wells.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of crude oil and natural gas prices; fluctuations in commodity prices and exchange, interest and inflation rates; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; an inability of Birchcliff to generate sufficient cash flow from operations to meet its current and future obligations; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with Birchcliff's Credit Facilities, including a failure to comply with covenants under the agreement governing the Credit Facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the risk that weather events such as wildfires, flooding, droughts or extreme hot or cold temperatures forces the Corporation to shut-in production or otherwise adversely affects the Corporation's operations; the occurrence of unexpected events such as fires, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; the risks associated with supply chain disruptions; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, revenue, costs and reserves; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; the risks posed by pandemics, epidemics, geopolitical events and global conflict and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major oil producers and the impact such actions may have on supply and demand and commodity prices; stock market volatility; loss of market demand; changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental and climate change laws (including emissions and "greenwashing"), carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry; political uncertainty and uncertainty associated with government policy changes; actions by government authorities; the risk that: (i) the U.S. tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased or new tariffs are imposed, including on oil and natural gas; (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas; and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S. will trigger a broader global trade war, which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Corporation, including by decreasing the demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets and limiting access to financing; an inability of the Corporation to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends, including the discretion of the Board to declare dividends and change the Corporation's dividend policy and the risk that the amount of dividends may be less than currently forecast; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including risks associated with cyber-attacks); risks associated with artificial intelligence; risks associated with the ownership of the Corporation's securities; the accuracy of the Corporation's accounting estimates and judgments; and the risk that any of the Corporation's material assumptions prove to be materially inaccurate (including the Corporation's commodity price and exchange rate assumptions for 2025).

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect Birchcliff's results of operations, financial performance or financial results are included in the Corporation's annual information form and annual management's discussion and analysis for the financial year ended December 31, 2024 under the heading *"Risk Factors"* and in other reports filed with Canadian securities regulatory authorities.

This press release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "**FOFI**") about Birchcliff's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Birchcliff's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Birchcliff has included FOFI in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this press release in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements and FOFI contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements and FOFI contained herein are made as of the date of this press release. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise.

ABOUT BIRCHCLIFF:

Birchcliff is an intermediate oil and natural gas company based in Calgary, Alberta with operations focused on the exploration and development of the Montney/Doig Resource Play in Alberta. Birchcliff's common shares are listed for trading on the Toronto Stock Exchange under the symbol "BIR".

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