BIRCHCLIFF
ENERGY

BIRCHCLIFF ENERGY LTD. ANNOUNCES THE FILING OF ITS AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURE DOCUMENTS FOR THE YEAR ENDED DECEMBER 31, 2022 AND UPDATED OUTLOOK AND GUIDANCE

Calgary, Alberta (March 15, 2023) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce that it has filed its annual audited financial statements (the "**financial statements**") and related management's discussion and analysis and its annual information form (the "**AIF**") for the financial year ended December 31, 2022 (collectively, the "**Annual Filings**") on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). The financial statements are consistent with the unaudited financial results disclosed in the press release issued by Birchcliff on February 15, 2023. The AIF contains the reserves data and other oil and gas information as required by National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). The Annual Filings are available electronically on Birchcliff's website at www.birchcliffenergy.com and on SEDAR at www.sedar.com.

*This press release contains forward-looking statements within the meaning of applicable securities laws. For further information regarding the forward-looking statements contained herein, see "Advisories – Forward-Looking Statements". With respect to the disclosure of Birchcliff's production contained in this press release, see "Advisories – Production". In addition, this press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" 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".*

REAFFIRMED BASE DIVIDEND AND UPDATED OUTLOOK AND GUIDANCE

Birchcliff remains committed to the payment of its annual base dividend of $0.80 per common share[(1)], maintaining capital discipline and generating free funds flow in 2023. As a result of the recent weakness and volatility in natural gas prices and the potential for weakness in summer natural gas prices, Birchcliff has decided to slow the rate of its 2023 capital program by moving the drilling of 9 (9.0 net) wells to Q3 2023 that were originally scheduled to be drilled in Q2 2023. These wells are now anticipated to be brought on production in Q4 2023 (originally scheduled for Q3 2023), which is expected to result in strong production in Q4 2023 and Q1 2024, when commodity prices are forecast to be significantly higher. Birchcliff's F&D capital expenditures for 2023 are still forecast to be in the range of $260 million to $280 million.

Birchcliff's significant ownership and operatorship of its assets gives it a strong competitive advantage, providing it with the flexibility to actively manage its capital program in response to changing economic conditions in order to protect its strong financial position and base common share dividend. The Corporation will continue to closely monitor commodity prices and, where deemed prudent, make further adjustments to its 2023 capital program, giving consideration to increasing or decreasing its rate of drilling and capital investment depending on commodity prices. Birchcliff is taking a conservative approach to capital investment in 2023 as a result of the significant ongoing volatility in natural gas prices.

With respect to production, Birchcliff is reducing its annual average production guidance for 2023 to reflect the impact of an unexpected outage on Pembina Pipeline Corporation's Northern Pipeline system (the "**Pipeline System**"), as discussed below under the heading *"Operational Update"*, as well as to reflect the 9 wells coming on production later in 2023 than previously planned and other forecast adjustments. Annual average production in 2023 is currently expected to be in the range of 77,000 to 80,000 boe/d (as compared to Birchcliff's previous guidance of 81,000 to 83,000 boe/d).

(1) This annual base dividend is expected to be declared and paid quarterly at the rate of $0.20 per common share. Other than the dividend declared for the quarter ending March 31, 2023, the declaration of dividends is subject to the approval of the board of directors (the "**Board**") and is subject to change. See *"Advisories – Forward-Looking Statements"*.

Updated 2023 Guidance

Birchcliff is reaffirming its 2023 annual base common share dividend amount and its 2023 guidance for F&D capital expenditures. The Corporation is updating certain items of its 2023 guidance to reflect its revised production guidance and a lower commodity price forecast for 2023. The following table sets forth Birchcliff's updated and previous guidance and commodity price assumptions for 2023, as well as its free funds flow sensitivity:

	Updated 2023 guidance and assumptions – March 15, 2023[(1)]	Previous 2023 guidance and assumptions – January 18, 2023
Production		
Annual average production *(boe/d)*	77,000 – 80,000	81,000 – 83,000
% Light oil	3%	3%
% Condensate	7%	7%
% NGLs	9%	10%
% Natural gas	81%	80%
Average Expenses *($/boe)*		
Royalty[(2)]	4.25 – 4.45	4.25 – 4.45
Operating[(2)]	3.55 – 3.75	3.45 – 3.65
Transportation and other[(3)]	5.25 – 5.45	5.20 – 5.40
Adjusted Funds Flow *(millions)*[(4)]	$475	$570
F&D Capital Expenditures *(millions)*	$260 – $280	$260 – $280
Free Funds Flow *(millions)*[(4)]	$195 – $215	$290 – $310
Annual Base Dividend *(millions)*[(5)]	$213	$213
Excess Free Funds Flow *(millions)*[(4)(5)]	($18) – $2	$77 – $97
Total Debt at Year End *(millions)*[(6)]	$145 – $165[(7)]	$50 – $70
Natural Gas Market Exposure		
AECO exposure as a % of total natural gas production	17%[(8)]	17%
Dawn exposure as a % of total natural gas production	41%[(8)]	41%
NYMEX HH exposure as a % of total natural gas production	36%[(8)]	36%
Alliance exposure as a % of total natural gas production	6%[(8)]	6%
Commodity Prices		
Average WTI price *(US$/bbl)*	78.50[(9)]	76.00
Average WTI-MSW differential *(CDN$/bbl)*	3.25[(9)]	4.75
Average AECO price *(CDN$/GJ)*	3.00[(9)]	3.30
Average Dawn price *(US$/MMBtu)*	3.05[(9)]	3.55
Average NYMEX HH price *(US$/MMBtu)*	3.50[(9)]	3.85
Exchange rate *(CDN$ to US$1)*	1.35[(9)]	1.34

Forward ten months' free funds flow sensitivity[(10)]	Estimated change to 2023 free funds flow *(millions)*
Change in WTI US$1.00/bbl	$4.5
Change in NYMEX HH US$0.10/MMBtu	$5.8
Change in Dawn US$0.10/MMBtu	$7.1
Change in AECO CDN$0.10/GJ	$3.4
Change in CDN/US exchange rate CDN$0.01	$5.1

(1) Birchcliff's updated guidance for its production commodity mix, adjusted funds flow, free funds flow, excess free funds flow, total debt and natural gas market exposure in 2023 is based on an annual average production rate of 78,500 boe/d in 2023, which is the mid-point of Birchcliff's updated annual average production guidance range for 2023. Birchcliff's updated guidance for its free funds flow, excess free funds flow and total debt in 2023 is based on F&D capital expenditures of approximately $270 million in 2023, which is the mid-point of the Corporation's F&D capital expenditures guidance range for 2023. For further information regarding the risks and assumptions relating to the Corporation's guidance, see *"Advisories – Forward-Looking Statements"*.

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

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

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

(5) Assumes that an annual base dividend of $0.80 per common share is paid and that there are 266 million common shares outstanding, with no changes to the

base dividend rate and no special dividends paid. Other than the dividend declared for the quarter ending March 31, 2023, the declaration of dividends is subject to the approval of the Board and is subject to change.

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

(7) The forecast of total debt at December 31, 2023 is expected to be comprised of any amounts outstanding under the Corporation's extendible revolving term credit facilities (the "**Credit Facilities**") plus accounts payable and accrued liabilities and less cash, accounts receivable and prepaid expenses and deposits at the end of the year.

(8) Birchcliff's natural gas market exposure for 2023 takes into account its physical and financial basis swap contracts outstanding as at March 14, 2023.

(9) Birchcliff's updated commodity price and exchange rate assumptions for 2023 are based on the settled benchmark commodity prices and CDN/US exchange rate for January and February 2023 and the forward strip benchmark commodity prices and CDN/US exchange rate from March 2023 to December 2023 as of March 3, 2023.

(10) 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 2023, holding all other variables constant. The sensitivity is based on the 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.

Updated Five-Year Outlook

As a result of the changes to Birchcliff's 2023 guidance and a lower commodity price forecast, Birchcliff is also updating its five-year outlook for 2023 to 2027. As discussed above, Birchcliff has significant flexibility to actively manage its capital spending in response to changing economic conditions. Birchcliff may accelerate or defer its rate of capital investment over the five-year period based on its outlook for commodity prices in order to optimize its investment returns and protect its dividend and balance sheet.

2024

In the event that commodity prices remain weak continuing into 2024, Birchcliff currently expects that it will keep its production relatively flat year-over-year, with 2024 annual average production forecast to be 78,500 boe/d (previously 83,000 boe/d) resulting from forecast 2024 F&D capital expenditures of $255 million (previously $355 million). Assuming an annual base dividend of $0.80 per common share, this would result in 2024 excess free funds flow of $82 million (previously $177 million) and total debt at year end 2024 of $85 million (previously total surplus[(2)] of $110 million), based on the forward strip commodity prices as of March 3, 2023[(3)].

Outlook to 2027

Over the longer-term, Birchcliff remains committed to generating substantial free funds flow and delivering significant returns to shareholders, while achieving disciplined production growth to fully utilize the Corporation's existing processing and transportation capacity. Birchcliff's updated five-year outlook for 2023 to 2027 now provides for potential cumulative free funds flow of approximately $1.3 billion by the end of the five-year period (previously $2.0 billion) and targeted production growth of 11% from 2023 to 2027 (previously 10%), with 2027 annual average production of 87,000 boe/d (previously 90,000 boe/d), subject to commodity prices.

The five-year outlook presented herein is for illustrative purposes only and should not be relied upon as indicative of future results. The internal projections, expectations and beliefs underlying this outlook are subject to change in light of ongoing results and prevailing economic and industry conditions. Birchcliff's F&D capital budgets for 2024 to 2027 have not been finalized and are subject to approval by the Board. Accordingly, the levels of F&D capital expenditures for 2024 to 2027 are subject to change, which could have an impact on the Corporation's forecasted production, adjusted funds flow, free funds flow, excess free funds flow and year end total (debt) or total surplus over the five-year period. In addition, changes in assumed commodity prices and variances in production forecasts can have an impact on the Corporation's five-year outlook, which impact could be material.

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

(3) Birchcliff's forecasts for 2024 excess free funds flow and total debt are based on the following commodity price and exchange rate assumptions: an average WTI price of US$74.00/bbl; an average AECO price of CDN$3.30/GJ; an average Dawn price of US$3.55/MMBtu; an average NYMEX HH price of US$3.70/MMBtu; and an average exchange rate (CDN$ to US$1) of 1.35. See *"Advisories – Forward-Looking Statements"* for further information on the assumptions underlying such outlook.

For further information regarding the Corporation's updated five-year outlook and the commodity price and other assumptions underlying such outlook, see *"Advisories – Forward-Looking Statements"* and the Corporation's corporate presentation, a copy of which is available on its website at www.birchcliffenergy.com.

OPERATIONAL UPDATE

Pipeline System Outage

On January 19, 2023, Pembina Pipeline Corporation notified Birchcliff of a force majeure event on the Pipeline System, which resulted in an unplanned outage impacting a substantial portion of the volumes on the system, including the Corporation's NGLs volumes (see Birchcliff's press release dated February 15, 2023). The Pipeline System resumed service at reduced rates in late February 2023. Birchcliff understands that the Pipeline System is currently expected to operate under limited NGLs capacity for a duration of 3 to 5 months.

Although Birchcliff has been able to reduce the impact of the Pipeline System outage on its production volumes by retaining NGLs within its natural gas stream to the extent possible and by utilizing trucking to transport its NGLs where possible, the outage has impacted, and is expected to continue to impact, the Corporation's NGLs sales revenue and volumes.

6-Well Pad (03-06-78-11W6)

As part of the accelerated 2023 capital program that was initiated in Q4 2022, the Corporation brought 4 (4.0 net) wells on its 03-06 pad on production in December 2022 and 1 (1.0 net) well on production in early January 2023. These wells are producing with strong liquids and natural gas rates and are exceeding internal estimates. The sixth well on this pad is currently standing and may be completed later in the year as part of the 2023 capital program. The following table summarizes the available aggregate and average production rates for the wells from the 03-06 pad:

	5 Wells: IP 30(1)	**4 Wells: IP 60**(1)(2)
Aggregate production rate *(boe/d)*	**4,182**	**3,006**
Aggregate natural gas production rate *(Mcf/d)*	8,957	6,685
Aggregate condensate production rate *(bbls/d)*	2,681	1,886
Average per well production rate *(boe/d)*	**836**	**751**
Average per well natural gas production rate *(Mcf/d)*	1,791	1,671
Average per well condensate production rate *(bbls/d)*	536	471
Condensate-to-gas ratio *(bbls/MMcf)*	**299**	**282**

(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. See *"Advisories – Initial Production Rates"*.

(2) Does not include one well on the 03-06 pad that was drilled in December 2022 and brought on production in early January 2023, as it has not produced for 60 days post stabilization. See *"Advisories – Initial Production Rates"*.

6-Well Pad (14-06-79-12W6)

Birchcliff successfully completed its 6-well 14-06 pad in early January 2023. The pad was drilled in late Q4 2022 in 3 different intervals (3 in the Montney D1, 2 in the Montney D2 and 1 in the Montney C) and targeted condensate-rich natural gas. The wells have been on production for approximately 30 days and have produced in-line with the Corporations expectations.

Ongoing Drilling and Completions Operations

Birchcliff has successfully completed its 4-well 15-27 pad and the wells are currently cleaning up through testers before being turned over to the Corporation's permanent facilities, which is expected later in March. Completions operations are currently ongoing at Birchcliff's 4-well 04-23 pad, with the wells expected to be brought on production through the Corporation's permanent facilities in Q2 2023.

Birchcliff's 2023 capital program is utilizing two drilling rigs that are currently at work on the Corporation's 8-well 04-16 pad. This pad is targeting 4 wells in each of the Basal Doig/Upper Montney and Montney D1 intervals.

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 International Financial Reporting Standards as issued by the International Accounting Standards Board
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
IP	initial production
Mcf	thousand cubic feet
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MMcf	million cubic feet
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
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
$000s	thousands of dollars

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below. These measures facilitate management's comparisons to the Corporation's historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Corporation's performance.

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, Free Funds Flow and Excess Free Funds Flow

Birchcliff defines "adjusted funds flow" as cash flow from operating activities before the effects of decommissioning expenditures 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. 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. Adjusted funds flow can also be derived from petroleum and natural gas revenue less royalty expense, operating expense, transportation and other expense, net G&A expense, interest expense and any realized losses (plus realized gains) on financial instruments and plus any other cash income and expense sources. 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 returns through a number of initiatives, including but not limited to, debt repayment, common share buybacks, the payment of dividends and acquisitions.

Birchcliff defines "excess free funds flow" as free funds flow less common share dividends paid. Management believes that excess free funds flow assists management and investors in assessing Birchcliff's ability to further enhance shareholder returns after the payment of common share dividends, which may include debt repayment, special dividends, increases to the Corporation's base dividend, common share buybacks, acquisitions and other opportunities that would complement or otherwise improve the Corporation's business and enhance long-term shareholder value.

Birchcliff has disclosed in this press release forecasts of adjusted funds flow, free funds flow and excess free funds flow for 2023, excess free funds flow for 2024 and cumulative free funds flow for the period from 2023 to 2027, which are forward-looking non-GAAP financial measures. The equivalent historical non-GAAP financial measures are adjusted funds flow, free funds flow and excess free funds flow for the twelve months ended December 31, 2022. The most directly comparable GAAP financial measure to adjusted funds flow, free funds flow and excess 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, free funds flow and excess free funds flow for the twelve months ended December 31, 2022:

	Twelve months ended December 31,
($000s)	**2022**
Cash flow from operating activities	**925,275**
Change in non-cash operating working capital	25,662
Decommissioning expenditures	2,746
Adjusted funds flow	**953,683**
F&D capital expenditures	(364,621)
Free funds flow	**589,062**
Dividends on common shares	(71,788)
Excess free funds flow	**517,274**

Birchcliff anticipates the forward-looking non-GAAP financial measures for adjusted funds flow, free funds flow and excess free funds flow disclosed herein to be lower than their respective historical amounts for the twelve months ended December 31, 2022, primarily due to lower anticipated benchmark oil and natural gas prices which are expected to decrease the average realized sales prices the Corporation receives for its production. The forward-looking non-GAAP financial measure for excess free funds flow disclosed herein is also expected to be lower as a result of a higher targeted annual common share dividend payment forecast during 2023 and 2024. The commodity price assumptions on which the Corporation's guidance is based are set forth in the table under the heading *"Reaffirmed Base Dividend and Updated Outlook and Guidance"* and in *"Advisories – Forward-Looking Statements"*.

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 available transportation and/or fractionation fees associated with its take-or-pay commitments. Management believes that transportation and other expense assists management and investors in assessing Birchcliff's total cost structure related to transportation 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 twelve months ended December 31, 2022:

($000s)	Twelve months ended December 31, 2022
Transportation expense	**155,864**
Marketing purchases	17,866
Marketing revenue	(18,806)
Transportation and other expense	**154,924**

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 ratio used in this press release is not a standardized financial measure under GAAP and might not be comparable to similar measures presented by other companies. Set forth below is a description of the non-GAAP ratio used in this press release.

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.

Supplementary Financial Measures

NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this press release are per unit disclosures of corresponding GAAP measures presented in the financial statements, which are calculated by dividing the aggregate GAAP measure by the applicable unit for the period. The supplementary financial measures used in this press release are operating expense per boe, royalty expense per boe and current income tax expense per boe.

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 and Total Surplus

Birchcliff calculates "total debt" and "total surplus" as the amount outstanding under the Corporation's Credit Facilities (if any) plus working capital deficit (less working capital surplus) plus the fair value of the current asset portion of financial instruments less the fair value of the current liability portion of financial instruments and less the current liability portion of other liabilities at the end of the period. Management believes that total debt and total surplus assist 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 Credit Facilities, as determined in accordance with GAAP, to total debt as at December 31, 2022:

As at December 31, *($000s)*	2022
Revolving term credit facilities	**131,981**
Working capital deficit (surplus)(1)	(7,902)
Fair value of financial instruments – asset(2)	17,729
Fair value of financial instruments – liability(2)	(1,345)
Other liabilities(2)	(1,914)
Total debt(3)	**138,549**

(1) Current liabilities less current assets.

(2) Reflects the current portion only.

(3) Total debt can also be derived from the amounts outstanding under the Corporation's Credit Facilities plus accounts payable and accrued liabilities and less cash, accounts receivable and prepaid expenses and deposits at the end of the period.

ADVISORIES

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and 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.

F&D Capital Expenditures

Unless otherwise stated, 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 net acquisitions and 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 capital cost outlay associated with its exploration and development activities for the purposes of finding and developing its reserves.

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. 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.

With respect to the production rates for the Corporation's 03-06 pad 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 (between 1 and 2 days), 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 4 or 5, as applicable, to determine the per well average production rates. The production rates excluded the hours and days when the wells did not produce.

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.

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;
- statements with respect to dividends, including that the annual base dividend of $0.80 per common share for 2023 is expected to be declared and paid quarterly at the rate of $0.20 per common share; and
- the information set forth under the headings *“Reaffirmed Base Dividend and Updated Outlook and Guidance”* and *“Operational Update”* as it relates to Birchcliff’s outlook and guidance and capital programs, including: that Birchcliff remains committed to the payment of its annual base dividend of $0.80 per common share, maintaining capital discipline and generating free funds flow in 2023; the potential for weakness in summer natural gas prices; the anticipated number of and timing of wells to be drilled and brought on production; that the wells now anticipated to be brought on production in Q4 2023 is expected to result in strong production in Q4 2023 and Q1 2024, when commodity prices are forecast to be significantly higher; that Birchcliff’s significant ownership and operatorship of its assets gives it a strong competitive advantage, providing it with the flexibility to actively manage its capital program in response to changing economic conditions in order to protect its strong financial position and base dividend; that the Corporation will continue to closely monitor commodity prices and, where deemed prudent, will make further adjustments to its 2023 capital program, giving consideration to increasing or decreasing its rate of drilling and capital investment depending on commodity prices; that Birchcliff is taking a conservative approach to capital investment in 2023 as a result of the significant ongoing volatility in natural gas prices; that the Pipeline System is currently expected to operate under limited NGLs capacity for a duration of 3 to 5 months; forecasts of annual average production, production commodity mix, average expenses, adjusted funds flow, F&D capital expenditures, free funds flow, annual base common share dividend, excess free funds flow, total debt at year end and natural gas market exposure in 2023; the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff’s forecast of free funds flow in 2023;

that the forecast of total debt at December 31, 2023 is expected to be comprised of any amounts outstanding under the Credit Facilities plus accounts payable and accrued liabilities and less cash, accounts receivable and prepaid expenses and deposits at the end of the year; that the Corporation may accelerate or defer its rate of capital investment over the five-year period based on its outlook for commodity prices in order to optimize its investment returns and protect its dividend and balance sheet; that in the event commodity prices remain weak continuing into 2024, Birchcliff currently expects that it will keep its production relatively flat year-over-year, with 2024 annual average production forecast to be 78,500 boe/d resulting from forecast 2024 F&D capital expenditures of $255 million; forecasts of the Corporation's annual base common share dividend, excess free funds flow and total debt for 2024; that over the longer-term, Birchcliff remains committed to generating substantial free funds flow and delivering significant returns to shareholders, while achieving disciplined production growth to fully utilize the Corporation's existing processing and transportation capacity; that cumulative free funds flow over the five-year period is now forecast to be $1.3 billion; and that Birchcliff is now targeting production growth of 11% from 2023 to 2027 with annual average production of 87,000 boe/d in 2027, subject to commodity prices.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: the degree to which the Corporation's results of operations and financial condition will be disrupted by circumstances attributable to the COVID-19 pandemic; 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; 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 2023 guidance (as updated on March 15, 2023), such guidance is based on the commodity price, exchange rate and other assumptions set forth under the heading *"Reaffirmed Base Dividend and Updated Outlook and Guidance"*. In addition:
    - Birchcliff's production guidance assumes that: the 2023 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 capital expenditures assumes that the 2023 capital program will be carried out as currently contemplated and excludes any net potential acquisitions and dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board.
    - Birchcliff's forecasts of adjusted funds flow and free funds flow assume that: the 2023 capital program will be carried out as currently contemplated and the level of capital spending for 2023 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 physical and financial basis swap contracts outstanding as at March 14, 2023 and excludes cash incentive payments that have not been approved by the Board.

  - Birchcliff's forecast of excess free funds flow assumes that: the forecasts of adjusted funds flow and free funds flow are achieved; and an annual base dividend of $0.80 per common share is paid during 2023 and there are 266 million common shares outstanding, with no changes to the base dividend rate and no special dividends paid.
  - Birchcliff's forecast of year end total debt assumes that: (i) the forecasts of adjusted funds flow, free funds flow and excess free funds flow are achieved, with the level of capital spending for 2023 met and the payment of an annual base dividend of $213 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; (iii) there are no buybacks of common shares during 2023; (iv) there are no significant acquisitions or dispositions completed by the Corporation during 2023; (v) there are no equity issuances during 2023; and (vi) there are no further proceeds received from the exercise of stock options or performance warrants during 2023. 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) 152,500 MMBtu/d being contracted on a financial and physical basis at an average fixed basis differential price between AECO 7A and NYMEX HH of approximately US$1.23/MMBtu; and (iii) 27,500 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 physical and financial basis swap contracts outstanding as at March 14, 2023.

- With respect to Birchcliff's five-year outlook (as updated on March 15, 2023), such outlook is based on the following commodity price and exchange rate assumptions: an average WTI price of US$78.50/bbl in 2023, US$74.00/bbl in 2024 and US$75.00/bbl in 2025 to 2027; an average AECO price of CDN$3.00/GJ in 2023, CDN$3.30/GJ in 2024 and CDN$4.10/GJ in 2025 to 2027; an average Dawn price of US$3.05/MMBtu in 2023, US$3.55/MMBtu in 2024 and US$4.10/MMBtu in 2025 to 2027; an average NYMEX HH price of US$3.50/MMBtu in 2023, US$3.70/MMBtu in 2024 and US$4.20/MMBtu in 2025 to 2027; and an average exchange rate (CDN$ to US$1) of 1.35 in 2023 and 2024 and 1.34 in 2025 to 2027. In addition:
  - Birchcliff's production forecasts assume that: the Corporation's capital programs 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 forecasts of F&D capital expenditures assume that the Corporation's capital programs will be carried out as currently contemplated and exclude any net potential acquisitions and dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The five-year outlook also assumes that all wells will be brought on production over the five-year period as currently forecast, which forecast is subject to similar assumptions regarding wells drilled and brought on production as set forth herein. 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 forecast of excess free funds flow for 2024 assumes that: the forecasts of adjusted funds flow and free funds flow in 2023 and 2024 are achieved using the mid-point Birchcliff's 2023 free funds flow guidance; and an annual base dividend of $0.80 per common share is paid during 2024 and there are 266 million common shares outstanding, with no changes to the base dividend rate and no special dividends paid.
  - Birchcliff's forecast of year end 2024 total debt is expected to be comprised of any amounts outstanding under the Credit Facilities plus accounts payable and accrued liabilities and less cash, accounts receivable,

prepaid expenses and deposits at the end of the year, and assumes that: (i) the forecasts of adjusted funds flow, free funds flow and excess free funds flow are achieved in 2023 and 2024 using the mid-point Birchcliff's 2023 free funds flow guidance, with the level of capital spending for 2023 and 2024 met and the payment of an annual base dividend of $213 million in 2023 and 2024; (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; (iii) there are no buybacks of common shares during 2023 or 2024; (iv) there are no significant acquisitions or dispositions completed by the Corporation during 2023 or 2024; (v) there are no equity issuances during 2023 or 2024; and (vi) there are no further proceeds received from the exercise of stock options or performance warrants during 2023 or 2024. The forecast of total debt excludes cash incentive payments that have not been approved by the Board.

  - Birchcliff's forecast of cumulative free funds flow assumes: that the Corporation's capital programs will be carried out as currently contemplated and the level of capital spending for each year 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 forecasts of adjusted funds flow take into account its physical and financial basis swap contracts outstanding as at March 14, 2023 and exclude cash incentive payments that have not been approved by the Board. The Corporation has used the mid-point of its 2023 guidance for free funds flow and total debt at year end in determining the cumulative free funds flow at year end for 2024 to 2027.

- With respect to statements of future wells to be drilled and 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: the risks posed by pandemics (including COVID-19), epidemics and global conflict (including the Russian invasion of Ukraine) and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; the uncertainty of estimates and projections relating to production, revenue, costs, expenses and reserves; 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 2023 to 2027); 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; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; fluctuations in exchange and interest rates; stock market volatility; loss of market demand; 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 occurrence of unexpected events such as fires, severe weather, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; 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; the accuracy of estimates of reserves, future net revenue and production levels; 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; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; 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; changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, 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; 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 and fossil fuels; 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 the ownership of the Corporation's securities; and the accuracy of the Corporation's accounting estimates and judgments.

The declaration and payment of any future dividends are subject to the discretion of the Board and may not be approved or may vary depending on a variety of factors and conditions existing from time to time, including commodity prices, free funds flow, current and forecast commodity prices, fluctuations in working capital, financial requirements of Birchcliff, applicable laws (including solvency tests under the *Business Corporations Act* (Alberta) for the declaration and payment of dividends) and other factors beyond Birchcliff's control. The payment of dividends to shareholders is not assured or guaranteed and dividends may be reduced or suspended entirely. In addition to the foregoing, the Corporation's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Corporation has incurred or may incur in the future, including the terms of the Credit Facilities. The agreement governing the Credit Facilities provides that Birchcliff is not permitted to make any distribution (which includes dividends) at any time when an event of default exists or would reasonably be expected to exist upon making such distribution, unless such event of default arose subsequent to the ordinary course declaration of the applicable distribution.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in the AIF under the heading *"Risk Factors"* and in other reports filed with Canadian securities regulatory authorities.

This press release contains information that may constitute future-orientated 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. FOFI contained herein was 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 FOFI statements, whether as a result of new information, future events or otherwise.

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 contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements 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, whether as a result of new information, future events or otherwise.

ABOUT BIRCHCLIFF:

Birchcliff is a Calgary, Alberta based intermediate oil and natural gas company with operations focused on 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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