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July 7, 2016

**BIRCHCLIFF ANNOUNCES FILING OF FINAL SHORT FORM PROSPECTUS, EXPECTED CLOSING OF FINANCINGS FOR GROSS PROCEEDS OF \$690.8 MILLION AND REFILING OF ANNUAL INFORMATION FORM**

**Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff” or the “Corporation”) (TSX: BIR)** is pleased to announce that it has filed its (final) short form prospectus (the “**Prospectus**”) with the applicable securities regulatory authorities in each of the provinces of Canada and received a receipt therefor in respect of its previously announced bought-deal financing of 101,520,000 Subscription Receipts (“**Subscription Receipts**”) at a price of \$6.25 per Subscription Receipt for gross proceeds of \$634.5 million (the “**Offering**”).

In connection with the Offering, the Corporation granted to the syndicate of underwriters (the “**Underwriters**”) an over-allotment option to purchase up to an additional 6,000,000 Subscription Receipts at a price of \$6.25 per Subscription Receipt (the “**Over-allotment Option**”). The Corporation has been advised by National Bank Financial Inc. that the Underwriters intend to exercise the Over-allotment Option in full at the closing of the Offering.

Further, the Corporation has entered into a subscription agreement with The Schulich Foundation (the “**Subscriber**”), an entity controlled by Mr. Seymour Schulich, whereby the Subscriber has agreed to purchase, on a private placement basis, an aggregate of 3,000,000 Subscription Receipts at a price of \$6.25 per Subscription Receipt for gross proceeds of \$18.75 million (the “**Concurrent Private Placement**”), which Concurrent Private Placement was also previously announced as disclosed in the Prospectus.

The Offering and the Concurrent Private Placement are expected to close concurrently on July 13, 2016. Assuming the exercise in full of the Over-allotment Option, the gross proceeds of the Offering and the Concurrent Private Placement will be approximately \$690.8 million. These gross proceeds will be held in escrow pending the completion of the Acquisition (as such term is defined and described in the Prospectus) by Birchcliff.

For further details regarding the Offering, the terms of the Subscription Receipts, the Over-allotment Option, the Concurrent Private Placement and the Acquisition, please see the Prospectus, a copy of which is available under the Corporation’s profile on [www.sedar.com](http://www.sedar.com).

In connection with the filing of the Prospectus, the Corporation has also filed a Revised Annual Information Form dated July 6, 2016 for the year ended December 31, 2015 (the “**Revised AIF**”), which is incorporated by reference in the Prospectus. The Revised AIF supersedes and replaces the Annual Information Form for the Corporation dated March 16, 2016 (the “**Original AIF**”) and corrects or updates: (i) the units in the column “*Future Net Revenue Before Income Taxes (Discounted at 10%/year)*” in the table on page 22 of the Original AIF under the heading “*Net Present Value of Future Net Revenue by Product Type*” from “MM\$” to “M\$”; (ii) the values in the columns “*Future Net Revenue Before Income Taxes (Discounted at 10%/year)*” and “*Unit Value*” in the table on page 22 of the Original AIF under the heading “*Net Present Value of Future Net Revenue by Product Type*” for the Total Proved Plus

Probable reserves category; and (iii) the estimated total cost to achieve commercial production, the timeline of projects and the estimated date of first commercial production under the heading “*Details of Birchcliff’s Contingent Resources – Birchcliff’s Contingent Resource Projects*” on pages A-10 and A-11 of Appendix A to the Original AIF. For further information, see the “*Notice to Reader*” in the Revised AIF, a copy of which is available under the Corporation’s profile on [www.sedar.com](http://www.sedar.com).

This press release is not an offer of the Subscription Receipts or the common shares issuable on the conversion of the Subscription Receipts (the “**Underlying Shares**”) for sale in the United States. The Subscription Receipts and Underlying Shares have not been and will not be registered under the United States Securities Act of 1933, or any state securities laws. Subscription Receipts and Underlying Shares may not be offered or sold in the United States absent registration or an exemption from registration. The Subscription Receipts and Underlying Shares will not be publicly offered in the United States.

### **Forward-Looking Information**

This press release contains forward-looking statements and forward-looking information (collectively “**forward-looking information**”) within the meaning of applicable securities laws relating to the Corporation’s plans and other aspects of the Corporation’s anticipated future operations, management focus, strategies, plans, financial, operating and production results and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: completion of the Offering and the Concurrent Private Placement and the timing thereof; the exercise of the Over-allotment Option and the timing thereof; the expected gross proceeds of the Offering and the Concurrent Private Placement; and the completion of the Acquisition. Forward-looking information typically uses words such as “anticipate”, “believe”, “project”, “expect”, “goal”, “plan”, “intend” or similar words suggesting future outcomes, statements that actions, events or conditions “may”, “would”, “could” or “will” be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning the satisfaction of all conditions to the closing of the Offering (including the exercise of the Over-allotment Option), the Concurrent Private Placement and the Acquisition and on the time frames currently contemplated.

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions, expectations or assumptions upon which they are based will occur. Although Birchcliff believes that the expectations and assumptions reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated.

Forward-looking information necessarily involves both known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated, including, but not limited to, failure to obtain, in a timely manner, regulatory, stock exchange and other required approvals in connection with the Offering, the Concurrent Private Placement and the Acquisition. The Offering, the Concurrent Private Placement and the Acquisition may not be completed on the anticipated timeframes or at all.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the Corporation’s operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR

website ([www.sedar.com](http://www.sedar.com)). Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this press release and the Corporation disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

**About Birchcliff:**

Birchcliff is a Calgary, Alberta based intermediate oil and gas Corporation with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff's Common Shares and Cumulative Redeemable Preferred Shares, Series A and Series C are listed for trading on the Toronto Stock Exchange under the symbols "BIR", "BIR.PR.A" and "BIR.PR.C", respectively.

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