



Pinedale Energy Announces Year End 2018 Reserves, Financial and Operating Results

April 23, 2019 - Vancouver, British Columbia – Pinedale Energy Limited (“Pinedale” or the “Company”) (TSXV: MCF) is pleased to announce its reserves, financial and operational results for the year ended December 31, 2018. Pinedale’s audited consolidated financial statements, management’s discussion and analysis and statement of reserves data and other oil and gas information, as mandated by National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators*, for the year ended December 31, 2018 are available under the Company’s profile on SEDAR at www.sedar.com

Significant 2018 Highlights

- **Capital Investments:** Pinedale invested \$8.6 million in 2018 participating with its operating partner in the successful development of 5 directionally drilled vertical infill wells (1.063 net) and 4 exploratory horizontal wells (0.279 net). Pinedale’s inventory of producing wells at year-end 2018 totaled 26 wells (4.745 net) comprising 21 vertical wells (4.387 net) and 5 horizontal wells (0.358 net);
- **2018 Production:** 2.24 Bcf of natural gas and 21.1 thousand barrels of condensate for total of 2.37 Bcfe (6,497 Mcfe per day);
- **Total Assets:** \$13.3 million at December 31, 2018;
- **Balance Sheet:** Working capital deficit of \$11.2 million at December 31, 2018, which included \$252 thousand of cash. As at December 31, 2018 Bank and mezzanine debt was \$11.2 million and was classified as current;
- **Income Statement:** For the year ended December 31, 2018 the Company incurred a net loss of \$11.7 million, including a non-cash impairment of \$14.8 million. The charge was not related to underlying asset performance and does not impact the Company’s adjusted funds flow or the amount of credit available under its bank credit facilities.
- **Q4 Production:** 0.47 Bcf of natural gas and 4.3 thousand barrels of condensate for a total of 0.49 Bcfe (5,394 Mcfe per day);
- **Q4 Revenue:** \$2.69 million during the three months ended December 31, 2018; and
- **Q4 Field Netback:** \$2.60 / Mcfe during the three months ended December 31, 2018

Financial and Operational figures ⁽¹⁾

See below for a summary table of certain 2018 financial and operational figures:

	Three months ended December 31			Twelve months ended December 31		
	<u>2018</u>	<u>2017</u>	<u>% Change</u>	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Production						
Natural gas (Mcf/d)	5,114	5,646	-9%	6,150	3,233	90%
Oil & natural gas liquids (bbl/d)	47	61	-23%	58	31	87%
Barrels of oil equivalent (boe/d)	899	1,002	-10%	1,083	570	90%
Thousand cubic feet equivalent (Mcf/d)	5,394	6,015	-10%	6,497	3,420	90%
Commodity prices (in CAD\$)						
Natural gas - after hedging (\$/Mcf)	5.06	4.26	19%	3.49	4.03	-13%
Natural gas - after hedging (\$/MMBtu)	4.66	3.92	19%	3.22	3.71	-13%
Henry Hub (\$/MMBtu)	4.98	3.70	35%	4.09	3.88	5%
Oil & natural gas liquids (\$/bbl)	71.27	71.52	0%	83.30	67.86	23%
NYMEX crude oil (\$/bbl)	79.18	70.39	12%	84.52	66.08	28%
Revenue (\$000)						
Natural gas	2,449	2,080	18%	8013	4,426	81%
Oil & natural gas liquids	306	404	-24%	1,757	769	128%
Hedging gain (loss)	70	131	-47%	176	165	7%
Total revenue	2,685	2,615	3%	9,594	5,360	79%
Netbacks						
(\$/Mcf)						
Average sale price	5.41	4.49	20%	4.05	4.29	-6%
Less:						
Royalties	1.17	0.96	22%	0.87	0.85	2%
Production taxes	0.56	0.40	40%	0.40	0.42	-5%
Operating expenses	1.08	0.75	44%	0.84	0.78	8%
Field netback	2.60	2.38	9%	1.94	2.25	-14%
General and administrative	0.23	0.37	-38%	0.25	0.49	-49%
Interest on long-term debt	0.42	0.26	61%	0.31	0.25	22%
Cash netback (\$/Mcf)	1.94	1.75	11%	1.38	1.51	-8%
Cash netback (\$/boe)	11.66	10.51	11%	8.31	9.04	-8%

Note:

(1) See the Company's 2018 financial statements and the accompanying management's discussion and analysis (the "2018 MD&A") filed on SEDAR for further discussion and disclaimers regarding the figures above.

Summary of Corporate Reserves Data ^{(1) (2) (3) (4)}

Pinedale's independent reserve evaluator, Netherland, Sewell & Associates, Inc. ("NSAI"), completed their independent reserve evaluations effective December 31, 2018.

The Company's total gross Proved ("1P") reserves were 15,603 MMcfe (94% natural gas, 6% field condensates) having an estimated before tax net present value, using a discount rate of 10%, of US\$7.3 million.

Total gross Proved plus Probable ("2P") reserves were 26,352 MMcfe (93% natural gas, 7% field condensates) having estimated before tax net present value, using a discount rate of 10%, of US\$8.5 million.

Proved Developed Producing reserves, totaling 12,717 MMcfe (94% natural gas, 6% field condensates) represented 82% of total 1P reserves and 45% of total 2P reserves and had an estimated before tax net present value, using a discount rate of 10%, of US\$7.0 million.

A summary of Pinedale's reserves reported at December 31, 2018, is tabled as follows:

	Conventional Natural Gas		Natural Gas Liquids/Condensates		Gas Equivalent	
	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross MMcfe	Net MMcfe
Proved						
Developed Producing	11,952	9,389	127	100	12,717	9,990
Developed Non-Producing	-	-	-	-	-	-
Undeveloped	2,723	2,069	27	21	2,886	2,194
Total Proved	14,675	11,458	155	121	15,603	12,183
Probable	11,677	9,032	189	145	12,809	9,904
Proved + Probable	26,352	20,491	343	266	28,412	22,088

Notes:

- 1) Gross reserves are working interest reserves before royalty deductions
- 2) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves
- 3) See the Company's 2018 statement of reserves data and other oil and gas information, Form 51-101F1, for the year ended December 31, 2018 filed on SEDAR for further discussion and disclaimers regarding the figures above.
- 4) Totals may not add due to rounding.

Outlook

Pinedale is not the operator of its properties and Pinedale is reliant on its operating partners to conduct operations on its properties including development and exploration activities. An operator of Pinedale's properties has indicated that during 2019 it plans to develop vertical wells in the core of Pinedale field and area operators continue to analyze horizontal exploration drilling opportunities.

In February 2019 Pinedale received an Authority for Expenditure ("AFE") request to drill vertical well Warbonnet 14A1-25D, and in March 2019 Pinedale elected to not participate in the proposed operations. Pinedale is focused on repaying existing capital loans in 2019 and will evaluate AFE well proposals on a case by case basis. Pinedale's AFE election decisions are influenced by considerations that include internally generated projections of internal rates of returns, access to capital, well development scenarios and alternative well proposals.

About Pinedale Energy Limited

Pinedale Energy Limited is an independent oil and gas exploration and production company focused exclusively on its natural gas properties situated in the prolific Pinedale field area, within the Green River Basin of southwestern Wyoming. Pinedale, through its subsidiaries, owns non-operated interests in 17 oil and gas leases with an undivided working interest ranging from 11.56% to 21.25% in approximately 11,994 acres.

The Class A common shares of Pinedale Energy Limited are listed for trading on the TSX Venture Exchange under the symbol "MCF." Additional information on Pinedale Energy Limited is available on the SEDAR website at www.sedar.com or on the Company's website at www.PinedaleEnergy.com. For further information, please contact:

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Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "intends", "outlook", "potential" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements regarding an operators 2019 capital program to a focus on vertical wells and analysis of potential horizontal well opportunities and are based on the Company's and operator's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual number of wells and focus of its 2019 capital program to be materially different from those expressed by such forward-looking information, including: the actions of the operator, capital expenditures and other costs and the receipt of all necessary regulatory approvals. There is no guarantee that Pinedale will receive authorization for expenditure requests ("AFE's) for all permitted wells or that the Company will elect to participate in wells when it receives AFEs for these wells. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Pinedale will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.