NEWS RELEASE **FEBRUARY 26, 2015**

CARDINAL ENERGY LTD. ANNOUNCES A 140% INCREASE IN YEAR END RESERVES AND 2015 GUIDANCE

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to present the results of its 2014 year end oil and gas reserves evaluation and its 2015 guidance.

2014 Reserve Highlights

- On a fully diluted per share basis, Cardinal increased total proved reserves ("1P") by 46% and total proved plus probable reserves ("2P") by 27% from year end 2013.
- Proved developed producing reserves increased by 140% to 30.1 MMboe (93% oil) and 1P increased to 32.1 MMboe (93% oil).
- 2P reserves increased by 103% to 43.0 MMboe (93% oil).
- 1P reserves represent 75% of 2P reserves compared to 65% in 2013.
- Finding, development and acquisition ("FD&A") costs, including the change in future development capital ("FDC") of $6.2MM were $19.51 per boe on a 2P reserve basis (2013 - $14.99 per boe) and $23.00 per boe an a total proved basis (2013 - $22.27)
- Total FDC associated with 2P reserves of $44.6MM (23.4 net locations) represents less than 50% of forecast cash flow from operations for 2015.
- Cardinal has booked a total of 11.0 (1P) and 17.9 (2P) undeveloped locations at Bantry.
- Net present value before tax discounted at 10% of 2P reserves increased by 35% per fully diluted share from $395 million ($10.73 per fully diluted share) in 2013 to $867 million ($14.73 per fully diluted share) in 2014.
- Total proved plus probable producing reserves now make up 92% of Cardinal's reserve base compared to 86% in 2013.
- Reserve life index is 11 years (2013 – 9.9 years) on 2P reserves, based on fourth quarter average production of approximately 10,800 boe/d.

Cardinal's year end 2014 reserves were evaluated by independent reserves evaluators Sproule Associates Ltd. ("Sproule") and GLJ Petroleum Consultants ("GLJ"). These evaluations of all of the Company's oil and gas properties were done in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR on or before March 31, 2015.

Summary of Reserves

As at December 31, 2014 (1)

Reserves category:	Company Share of Reserves (2) Oil and NGL (Mbbl)	Natural Gas (Mmcf)	Total (Mboe)
Proved producing	28,041	12,193	30,073
Proved non-producing	176	156	202
Proved undeveloped	1,668	807	1,803
Total proved (3)	29,885	13,157	32,078
Probable additional	10,034	5,507	10,952
Total proved and probable (3)	39,920	18,664	43,030

(1) Based on Sproule's December 31, 2014 price forecast.
(2) Company share of reserves are the Company's total working interest reserves prior to the deduction of royalties payable or royalty interests paid to the Company.
(3) Numbers may not add due to rounding.

Summary of Before Tax Net Present Values

As at December 31, 2014 (1)

	Before Tax Net Present Value ($M) (1)		
	Discount rate		
Reserves category:	0%	10%	15%
Proved producing	1,145,382	686,983	571,043
Proved non-producing	5,811	3,377	2,754
Proved undeveloped	35,573	18,910	13,916
Total proved (2)	1,186,766	709,271	587,713
Probable additional	482,809	158,140	107,126
Total Proved and Probable (2)	1,669,575	867,411	694,839

(1) Based on Sproule's December 31, 2014 price forecast.
(2) Numbers may not add due to rounding.

2015 Guidance

Cardinal continues to take a conservative approach to capital spending in 2015. We have approved a base budget that is anticipated to show average and exit production for 2015 of approximately 11,200 boe/d based on a forecast WTI price of USD $55/barrel and an exchange rate of 0.80 $USD/CAD and including our existing 2015 hedges. The base budget deploys total development capital of $30 million and includes Cardinal drilling 6 development wells in Bantry as well as land, seismic and other capital expenditures associated with maintaining our base production. We expect this budget to generate $95 million in cash flow from operations. As at December 31, 2014 Cardinal's net debt was $54.0 million.

We expect to realize costs savings on this year's drilling programs versus last year's program and may choose to increase the numbers of wells drilled, if sufficient costs savings are realized. Cardinal has drilling locations ready to go to expand this program as opportunities arise. This budget helps to maintain our strong balance sheet with net debt to cash flow from operations expected to be 0.6 times at year end including the recently announced Pinecrest acquisition.

We will continue to target acquisitions in both our core areas of Bantry and Wainwright as well as other areas of Alberta and Saskatchewan where the Company feels it can develop a strategic presence.

Our base budget for 2015 achieves a total payout ratio of 82% (assuming $55 WTI). Cardinal has also begun an opportunistic hedging program for 2016 and 2017 to protect the cash flow from operations required to fund the Company's base capital program and dividends.

About Cardinal Energy Ltd.

Cardinal is a junior Canadian oil focused company built to provide investors with a stable platform for dividend income and growth. Cardinal's operations are focused in all season access areas in Alberta.

Note Regarding Forward-Looking Statements

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 Cardinal's plans and other aspects of Cardinal's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", " may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to: our business strategies, plans and objectives, expected average and exit production rates, planned capital expenditures, drilling, development and completion plans and the anticipated results therefrom, cash flow from operations, anticipated service cost reductions, total payout ratios, funds from operations, plans to maintain balance sheet strength, net debt to cash flow from operations ratios, our ability to accelerate capital spending, our dividend policy, our future acquisition plans and our hedging plans and the anticipated results therefrom. In addition, information and statements relating to reserves are deemed to be forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, that the reserves described exist in quantities predicted or estimated, and that the reserves can be profitably produced in the future.

These forward-looking statements are based on certain key assumptions regarding, among other things: petroleum and natural gas prices and pricing differentials; well production rates and reserve volumes; estimated operating costs; our ability to market our oil and natural gas successfully; our ability to add production and reserves through our exploration and development activities; capital expenditure levels; the receipt, in a timely manner, of regulatory and other required approvals for our operating activities; the availability and cost of labour and other industry services; the availability and cost of financing and our ability to access capital; the amount of future cash dividends that we intend to pay; interest and foreign exchange rates; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; our ability to develop our crude oil and natural gas properties in the manner currently contemplated; current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated); and the completion of the Pinecrest acquisition on the terms and timing currently contemplated. The reader is cautioned that such assumptions, although considered reasonable by Cardinal at the time of preparation, may prove to be incorrect.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: declines in oil and natural gas prices; exchange rate fluctuations, risks related to the accessibility, availability, proximity and capacity of gathering, processing and pipeline systems; variations in interest rates and foreign exchange rates; access to external sources of capital; risks associated with the exploitation of our properties and our ability to acquire reserves; increases in operating costs; changes in government regulations that affect the oil and gas industry; changes to royalty or mineral/severance tax regimes; risks relating to hydraulic fracturing; changes in income tax or other laws or government incentive programs; uncertainties associated with estimating petroleum and natural gas reserves; changes in environmental, health and safety regulations; competition in the oil and gas industry for, among other things, acquisitions of reserves, undeveloped lands, skilled personnel and drilling and related equipment; or key personnel and information systems; risks associated with the ownership of our securities, including the discretionary nature of dividend payments and changes in market-based factors; and other factors, many of which are beyond our control.

The above summary of assumptions and risks related to forward-looking statements in this press release has been provided in order to provide shareholders and potential investors with a more complete perspective on Cardinal's current and future operations and such information may not be appropriate for other purposes. There is no representation by Cardinal that actual results achieved during the forecast period will be the same in whole or in part as those forecast and Cardinal does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our prospective results of operations, cash flows, net debt, payout ratio and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release were made as of the date hereof and is provided for the purpose of describing our anticipated future business operations. We disclaim any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Non-GAAP measures

This press release contains the terms "cash flow from operations", "total payout ratio" and "net debt" which do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. Cardinal uses cash flow from operations and total payout ratio to analyze operating performance and assess leverage. Cardinal feels these benchmarks are key measures of profitability and overall sustainability for the Company. Cash flow from operations and total payout ratio are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of performance calculated in accordance with GAAP. Cash flow from operations is calculated as cash flows from operating activities adjusted for changes in non-cash working capital and decommissioning expenditures. "Total payout ratio" represents the ratio of the sum of dividends declared plus management's expectation of the amount of capital expenditures necessary to maintain our production divided by cash flow from operations. Total payout ratio is another key measure to assess our ability to finance operating activities, capital expenditures and dividends. The term "net debt" is not recognized under GAAP and is calculated as bank debt plus working capital deficiency or minus working capital surplus (both adjusted for the fair value of financial instruments). Net debt is used by management to analyze the financial position and leverage of Cardinal.

Advisory Regarding Oil and Gas Information

Where applicable, oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. BOEs may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil 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 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 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

With respect to finding and development costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year. Expenditures do not include capitalized general and administrative costs and related share based compensation, non-cash expenditures for the decommissioning obligation nor fair value adjustments on acquisitions.

Finding and development costs including acquisitions and dispositions have been presented above. While NI 51-101 requires that the effects of acquisitions and dispositions be excluded, FD&A costs have been presented because acquisitions and dispositions can have a significant impact on the Company's ongoing reserve replacement costs and excluding these amounts could result in an inaccurate portrayal of the Company's cost structure.

This press release contains estimates of the net present value of our future net revenue from our reserves. Such amounts do not represent the fair market value of our reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All reserve references in this press release are "Company share reserves". Company share reserves are the Company’s total working interest share of reserves before the deduction of any royalties and including any royalty interests of Cardinal.

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