NEWS RELEASE **FEBRUARY 28, 2018**

CARDINAL ENERGY LTD. ANNOUNCES THE SALE OF ROYALTY INTERESTS AND A Q1 OPERATIONAL UPDATE

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) of Calgary, Alberta is pleased to provide a corporate and operations update.

Disposition of Royalty Interests

Cardinal has signed a Purchase and Sale Agreement with a third party to sell various fee title lands in the Weyburn area of Saskatchewan and a new gross overriding royalty ("GOR") on the Mitsue Gilwood Unit for net proceeds of $24 million plus additional working interests in certain producing wells in our Wainwright area (the "Royalty Sale"). The Royalty Sale is anticipated to close on March 7, 2018 subject to customary closing conditions.

Following the Royalty Sale, Cardinal's expected 2018 net bank debt to adjusted funds flow ratio is expected to be reduced to approximately 1.6x from the 2.1x reported on a run rate basis in Q2 2017 following the previous closing of the acquisition of the light oil assets. At current long term strip pricing we anticipate making further strides in achieving our goal of returning to our low historical net bank debt to adjusted funds flow ratio range of 0.5x to 1.0x. The Company plans to continue with further royalty sales in the Weyburn and Midale oil units in order to achieve this targeted ratio.

Operations Update

The previously announced consolidating acquisition in Midale closed on January 12, 2018 increasing our working interest in the Midale unit from 68.8% to 77.2%. Cardinal's production averaged approximately 21,000 boe per day in January in line with our budget, with two additional Dunvegan, Grande Prairie area, light oil wells brought on production in late February. Our current production mix is approximately 45.5% light oil and NGLs, 41% medium oil (WCS pricing) and 13.5% natural gas.

Cardinal's long life, low decline (approximately 10% annual decline) base oil production is expected to continue to provide a stable platform that delivers predictable free cash flow over the long term.

Supplemental Information

1. How much production will be sold/acquired as part of the Royalty Sale?
   Approximately 50 boe per day of royalty interest production will be sold and approximately 10 boe per day of production will be acquired by Cardinal as part of the Royalty Sale. Cardinal will also have a slight increase in our overall corporate royalty rate due to the newly created GOR in Mitsue.

2. What is the expected impact to 2018 adjusted funds flow as a result of the Royalty Sale?
   A reduction of approximately $1.3 million (operating income of $2.1 million less expected interest savings of $0.8 million due to reduced bank debt based on our budget pricing).

3. What will Cardinal's 2018 anticipated net bank debt to adjusted funds flow ratio be after this Royalty Sale?
   Approximately 1.6x based on our budget pricing.

4. What would Cardinal's net bank debt to adjusted funds flow ratio after the Royalty Sale be if Cardinal was unhedged?
   Approximately 1.5x based on our budget pricing.

5. What is Cardinal's hedging strategy?
   We view hedging as an integral part of our business plan, first to protect our fixed cost structure and capital budget and then for dividend payments. In an environment where commodity prices are volatile, reducing the unpredictability of our funds flow through an ongoing hedging program remains important.

6. How does the change in oil price impact Cardinal's capital budgeting in 2018?
   The current pricing environment is having a limited impact on our capital budget and forecasted 2018 adjusted funds flow with the current widening of the WCS differentials being offset by the increase in CAD WTI prices.

7. What does the Company plan to do with any excess funds flow this year?
   Any excess funds flow above our 2018 budget will be used to further reduce outstanding indebtedness under our bank line.

8. How has the increase in heavy oil differentials impacted Cardinal?
   Cardinal's hedging program has reduced the pricing impact of the recent widening in the WTI to WCS differential on our medium oil production while the increase in WTI prices has positively impacted our light oil production. We produce approximately 8,600 barrels per day that is exposed to WCS pricing, with approximately 50% of the production hedged until June 30, 2018 at a CAD$ WTI to WCS differential of approximately CAD $19 per barrel. In the second half of 2018 approximately 13% of this production is hedged at a differential of CAD $18.50 per barrel. Cardinal is exposed to spot pricing on unhedged volumes. To date Cardinal has not experienced any delays or inabilities to get our crude oil production to market.

9. Is Cardinal contemplating any large acquisitions in 2018?
   The acquisition that Cardinal completed in Q2 of 2017 adding the Midale and House Mountain areas, provided a significant light oil resource with both water flood exploitation and CO_2 flood optimization, and infill drilling opportunities. With these, and our legacy medium oil assets, the Company expects to be able to deliver modest organic growth while maintaining the dividend for the foreseeable future. Although Cardinal doesn't anticipate any material acquisitions in 2018 we continue to evaluate opportunities to further enhance our oil focused portfolio within our core areas.

10. What is Cardinal's long term business strategy?
    Cardinal remains committed to following its strategy of acquiring low decline oil pools which have significant potential to increase reserves through cost reduction, development drilling and advances in technology. Our focus will be to expand our light oil weighting each year while trying to reduce overall risk exposure within the Company.

    We have developed a free cash flow model whereby we will prudently reinvest in our asset base and use excess funds flow to fund the dividend and reduce bank debt.

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 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 the timing of and completion of the Royalty Sale, plans to apply the proceeds from the Royalty Sale to reduce bank indebtedness, the impact of the Royalty Sale on the Company's future financial performance including 2018 adjusted funds flow, interest savings and net bank debt to adjusted funds flow ratio, future commodity prices, differentials, exchange rates, production volumes, anticipated royalty rates, operating costs, G&A expenses and other costs, Cardinal's asset base and future prospects for development and growth therefrom, the Company's plans to reduce its net bank debt to adjusted funds flow ratio to historical levels, future royalty disposition plans, capital expenditure plans, well completion plans and the timing thereof, Cardinal's production decline rate, Cardinal's plans to deliver predictable free cash flow over the long term, Cardinal's hedging strategy and plans, the anticipated impact of current oil prices and WCS differentials on Cardinal's capital budgeting in 2018, plans to apply excess funds flow to reduce outstanding indebtedness under our bank line, water flood exploitation and CO_2 flood optimization, and infill drilling opportunities associated with the Q2 2017 acquisition, Cardinal's plans to deliver modest organic growth, Cardinal's dividend plans, future acquisition plans, Cardinal's future plans, strategy and focus.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning among other things, completion of the Royalty Sale on the timing and terms contemplated, anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices, differentials and exchange rates, applicable royalty rates, tax laws, future well production rates and reserve volumes, future operating costs, the performance of existing and future wells, the success of Cardinal's exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions, drilling success and potential timing delays.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Cardinal's control. Such risks and uncertainties include, without limitation: the impact of general economic conditions; volatility in market prices for crude oil and natural gas; current and future differentials and exchange rates; industry conditions; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; and ability to access sufficient capital from internal and external sources.

Management has included the forward-looking statements above and a 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 Cardinal's future operations and such information may not be appropriate for other purposes. Cardinal's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Cardinal will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Cardinal disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about our prospective results of operations, adjusted funds flow 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.

Budget Pricing

Based on budget pricings of WTI USD $55/bbl, US/CAD exchange rate of 0.78 and a $1.75 and a $1.75/mcf AECO natural gas price.

Non GAAP Measures

This press release contains the terms "adjusted funds flow", "net bank debt to adjusted funds flow", "net bank debt to adjusted funds flow ratio" and "free cash flow" 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 adjusted funds flow and free cash flow to analyze operating performance. Cardinal feels these benchmarks are key measures of profitability and overall sustainability for the Company. Adjusted funds flow, net bank debt to adjusted funds flow and free cash flow 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.

Adjusted funds flow is calculated as cash flows from operating activities adjusted for changes in non-cash working capital and decommissioning expenditures. Net bank debt to annualized adjusted funds flow is calculated as net bank debt divided by the annualized adjusted funds flow for the period indicated. The ratio of net bank debt to annualized adjusted funds flow is used to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Cardinal monitors this ratio and uses this as a key measure in making decisions regarding financing, capital expenditures and dividend levels. The terms "net bank debt" and "net debt" are also not recognized under GAAP. Net bank debt is calculated as net debt less the principal amount of convertible debentures. Net debt is calculated as bank debt plus the principal amount of convertible unsecured subordinated debentures and current liabilities less current assets (adjusted for the fair value of financial instruments and the current portion of the decommissioning obligation).

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 at the wellhead. Utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.**

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 low decline light and medium quality oil in Alberta and Saskatchewan.

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