NEWS RELEASE **MAY 4, 2016**

CARDINAL ENERGY LTD. ANNOUNCES FIRST QUARTER RESULTS

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce its operating and financial results for the three months ended March 31, 2016. The Company also announces that its unaudited financial statements and management's discussion and analysis for the quarter ended March 31, 2016, will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on Cardinal's website at www.cardinalenergy.ca.

In Q1 Cardinal focused its operations in three areas:

- Reducing operating costs;
- Increasing its hedging exposure; and
- Preserving capital.

Cardinal decreased its unit operating costs for the first quarter by 9% to $21.50/boe from $23.66/boe in the fourth quarter of 2015. We are on track to continue to see further cost reductions.

In the first quarter commodity prices fell to levels that both Cardinal and industry were not expecting. This dramatic fall in pricing further reinforced the need to protect our revenue through hedging. The Company added sufficient hedges to protect our capital program and dividend in 2016, and has begun to systematically layer in additional hedges for 2017 and 2018. The downturn and pricing levels in the first quarter have further emphasized the need to control as many of our inputs as possible to try and reduce the volatility of our business.

We undertook a very modest capital program in the first quarter. The low decline nature of our asset base allowed us to spend only $2.4 million in the quarter while maintaining production at our budgeted level of 14,245 boe/d for the quarter. This was an increase of 29% over the first quarter of 2015.

FINANCIAL AND OPERATING HIGHLIGHTS
($000's except shares, per share and per boe amounts)

	Three months ended March 31, 2016	2015	% Change
Financial			
Petroleum and natural gas revenue	33,424	38,409	(13)
Cash flow from operations	7,758	21,944	(65)
basic per share	$ 0.12	$ 0.38	(68)
fully diluted per share	$ 0.12	$ 0.38	(68)
Net loss	(15,644)	(12,847)	22
basic per share	$ (0.24)	$ (0.22)	9
fully diluted per share	$ (0.24)	$ (0.22)	9
Dividends declared	6,917	12,021	(42)
per share	$ 0.105	$ 0.21	(50)
Net debt[1]	147,022	45,935	220
Development capital expenditures	2,077	2,711	(23)
Weighted average shares outstanding (000's)			
basic	65,725	57,197	15
fully diluted	65,725	57,197	15
Operating			
Average daily production			
Crude oil and NGL (bbl/d)	12,597	10,225	23
Natural gas (mcf/d)	9,886	4,785	107
Total (boe/d)	14,245	11,023	29
Netback			
Petroleum and natural gas revenue	$ 25.78	$ 38.72	(33)
Royalties	3.57	4.87	(27)
Operating expenses	21.50	23.20	(7)
Netback	0.71	10.65	(93)
Realized gain on derivatives	8.36	15.10	(45)
Netback after risk management	$ 9.07	$ 25.75	(65)

1. Includes $50 million face value convertible debentures, see non-GAAP measures.

Guidance Confirmation

There has been no change to Cardinal’s base capital expenditure budget ("budget") for 2016. The budget is anticipated to result in average and exit production for 2016 of approximately 14,600 boe/d and deploys total development capital of $25 million. We continue to expect $60 million in cash flow from operations based on an average WTI price of USD $40/barrel, an exchange rate of 0.71 $USD/CAD, a differential to WCS of $19 and the effect of our existing 2016 hedges. Given the recent improvement in crude oil prices we have not adjusted these budget inputs. The budget achieves a total payout ratio of less than 100% in this lower commodity price environment and net bank debt of $90 million at year end.

The Company is well positioned in the current low price environment to execute its base capital budget and maintain production while maintaining a total payout ratio of less than 100%. If oil prices continue to improve we will continue to add to our existing 2016 and 2017 hedge portfolio and will consider increasing our base capital budget and guidance for 2016.

Cardinal was able to successfully maintain its base production levels during the lowest quarter for oil pricing since its inception. The low decline nature of our production enabled Cardinal to hold production levels with only $2.4 million of capital expenditures in the first quarter. We were also able to successfully reduce operating costs by $2.16 per boe compared to the fourth quarter 2015. The operating cost reductions were realized throughout all of our properties.

Hedging has been an important part of Cardinal's business strategy. During the quarter we increased our 2016 and 2017 hedge portfolio for oil to WTI, natural gas and the WCS/WTI oil differential. Approximately 70% of our oil production is priced off of WCS and the differential for WCS has had significant volatility. The widening of the differential substantially reduced our Q4 and Q1 netback. We have systematically hedged our WCS exposure for 2016 and 2017 to mitigate this exposure.

Cardinal continues to opportunistically hedge its oil and natural gas production for 2016, 2017 and 2018.

Year	CAD WTI Average Price	Volume Hedged	AECO Average Price	Volume Hedged
2016 (Apr-Dec)	$63.90	6,667 bbl/d(1)	$2.12	2,560 gj/d(2)
2017	$62.33	4,949 bbl/d	$2.14	2,496 gj/d
2018	$57.50	500 bbl/d	$2.25(3)	1,000 gj/d

1. 500 bbl/d collared from April-June, 2016 at $70 X $78
2. 3,000 gj/d collared from April-December 2016 at $2.00 X $2.93
3. 2018 AECO hedges only run January through April.
4. Does not include our WCS hedges, refer to MD&A.

With increased oil prices in April and some near term price stability, we are cautiously optimistic in our approach to the remainder of 2016. No new wells were drilled by Cardinal in the first quarter. We have recently begun a 4 well drilling program in Bantry and expect to drill an additional 4 wells in Q3 as part of our base budget. We are starting to see some additional unbudgeted cost savings in our drilling program and expect to increase the number of wells drilled as a result of these cost savings.

Our staff have done an excellent job of integrating the Mitsue property into our portfolio. We have been able to begin moving forward with growth focused operations on the property and have begun the planning and implementation of operating cost reduction initiatives. Our geological team has started to put together a drilling inventory on the property and we expect to drill our first horizontal well in Mitsue in late Q4 or early Q1, 2017.

With the positive move forward in oil prices we have initiated several workovers of under optimized and suspended wells.

We continue to evaluate acquisition opportunities and see this opportunity list slowly starting to grow and be more accessible.

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 Cardinal's 2016 budget, future payout ratios, future cash flow from operations, expected reductions in unit operating and drilling costs, development capital, net bank debt, average and exit production, hedging plans, commodity prices and future acquisitions, drilling, completion and optimization opportunities and plans.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, current and future commodity prices 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 its 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; industry conditions; currency fluctuations; 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 Cardinal's prospective cash flow from operations, total payout ratio and net bank debt and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. The FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Cardinal's anticipated future business operations. Cardinal disclaims 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", "net bank debt", "simple payout ratio", "total payout ratio", "netback" 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. "Simple payout ratio" represents the ratio of the amount of dividends declared, divided by cash flow from operations. "Total payout ratio" represents the ratio of the sum of dividends declared plus development capital expenditures necessary to maintain the Company's base production divided by cash flow from operations. Simple payout ratio and total payout ratio are key measures 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 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). "Net debt" is used by management to analyze the financial position, liquidity and leverage of Cardinal. "Net bank debt" is calculated as net debt less the principal amount of convertible unsecured subordinated debentures.

Advisory regarding Oil and Gas Information

In accordance with Standards for Disclosure of Oil and Gas Activities ("NI 51-101"), natural gas volumes have been converted to barrels of oil equivalent using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The term "boe" may be misleading, particularly if used in isolation.

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