NEWS RELEASE **AUGUST 2, 2016**

CARDINAL ENERGY LTD. ANNOUNCES SECOND 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 and six months ended June 30, 2016. The Company's unaudited financial statements and management's discussion and analysis for the quarter ended June 30, 2016, have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on Cardinal's website at www.cardinalenergy.ca.

Financial and Operating Highlights

- Petroleum and natural gas revenue increased by 50% from Q1 2016 to $50.1 million in the second quarter;
- Production for the second quarter was 14,621 Boe/d, an increase of 3% over Q1 2016 and an increase of 29% over Q2 2015;
- Cash flow from operations for the quarter increased 118% to $16.9 million compared to Q1 of 2016;
- Operating expenses per boe decreased a further 6% from Q1 2016 to $20.23 per boe;
- Cardinal drilled four successful Glauc horizontal wells in Bantry in Q2. The production rates for these wells are ahead of Company's expectations with rates of: 725 boe/d IP60, 416 boe/d IP60, 409 boe/d IP60 and 208 boe/d IP30;
- Cardinal closed a bought deal financing for gross proceeds of $66.9 million; and
- Cardinal's credit facility was renewed at $150 million and $25 million was drawn at the end of Q2 2016.

FINANCIAL AND OPERATING HIGHLIGHTS

(000's except shares, per share and per boe amounts)	Three months ended June 30			Six months ended June 30		
	2016	2015	% Change	2016	2015	% Change
Financial						
Petroleum and natural gas revenue	50,124	53,442	(6)	83,548	91,851	(9)
Cash flow from operations	16,922	29,937	(43)	24,680	51,881	(52)
basic per share	$ 0.25	$ 0.52	(52)	$ 0.37	$ 0.91	(59)
fully diluted per share	$ 0.25	$ 0.51	(51)	$ 0.37	$ 0.89	(58)
Earnings (loss)	(35,317)	21,685	(263)	(50,961)	8,838	n/m
basic per share	$ (0.52)	$ 0.38	(239)	$ (0.77)	$ 0.15	n/m
fully diluted per share	$ (0.52)	$ 0.37	(242)	$ (0.77)	$ 0.15	n/m
Dividends declared	7,202	12,075	(40)	14,119	24,097	(41)
per share	$ 0.105	$ 0.21	(50)	$ 0.21	$ 0.42	(50)
Net debt [(1)]	81,908	62,432	31	81,908	62,432	31
Net debt to cash flow from operations	1.2	0.5	140	1.2	0.5	140
Development capital expenditures	12,077	11,076	9	14,154	13,809	2
Weighted average shares outstanding						
basic	67,356	57,438	17	66,541	57,320	16
fully diluted	67,356	58,814	15	66,541	58,575	14
Operating						
Average daily production						
Crude oil and NGL (bbl/d)	12,870	10,430	23	12,734	10,329	23
Natural gas (mcf/d)	10,506	5,179	103	10,196	4,983	105
Total (boe/d)	14,621	11,294	29	14,433	11,159	29
Netback						
Petroleum and natural gas revenue	$ 37.67	$ 52.00	(28)	$ 31.81	$ 45.48	(30)
Royalties	4.26	6.48	(34)	3.92	5.69	(31)
Operating expenses	20.23	21.99	(8)	20.86	22.58	(8)
Netback	13.18	23.53	(44)	7.03	17.21	(59)
Realized gain on derivatives	2.29	8.98	(74)	5.29	11.98	(56)
Netback after risk management	$ 15.47	$ 32.51	(52)	$ 12.32	$ 29.19	(58)

[(1)] See non-GAAP measures

Guidance Update

Cardinal has increased its base capital expenditure budget by $10 million for the last half of 2016. Capital expenditures for the last half will consist of 4 wells in Bantry, 1 well in Slave Lake, well optimizations and facility expenditures to further reduce operating expenses. The revised expenditures are expected to result in average production of 15,100 boe/d in Q4 of 2016, an increase from our previous guidance of 14,600 boe/d.

LMR Update

With the recent changes to the Alberta Energy Regulator's licensing framework and limits under the Liability Management Ratio ("LMR") for license transfers, Cardinal has focused on understanding and responding to the new regulatory framework.

Cardinal will also increase its abandonment and reclamation budget from $1.2 million to $3.2 million as part of the increased budget.

When the changes were announced on June 20, 2016, Cardinal's LMR of assets versus abandonment liabilities as determined by the formula set out in the program, was 1.69. The Company reacted immediately to the program changes and began an internal program to bring our LMR to 2.0, the level that is the new suggested temporary threshold for license transfers. We were able to increase the LMR to 1.75 in July without spending any money and expect to be able to increase our LMR to 1.90 with the increase in our abandonment budget and other initiatives this year.

Cardinal will continue to work towards increasing our LMR to exceed 2.0 in 2017. The Company does not expect that our current LMR will be an impediment to future acquisition opportunities.

Appointment of New Officer

Cardinal is pleased to announce the appointment of Connie Shevkenek as VP of Engineering as of September 1, 2016. Ms. Shevkenek has been with Cardinal since February of 2014. Ms. Shevkenek has in excess of 25 years of experience in numerous aspects of the oil and gas industry focusing on reserve and acquisition evaluations for various companies and independent evaluators.

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, development capital, fourth quarter average production, drilling, completion and optimization opportunities and the Company's plans to increase its LMR.

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.

Non-GAAP measures

This press release contains the terms "cash flow from operations", "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 to analyze operating performance and assess leverage. Cardinal feels this benchmark is a key measure of profitability and overall sustainability for the Company. Cash flow from operations is not intended to represent operating profits nor should it 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. 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.

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.

Any references in this document to initial production ("IP") rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily indicative of long-term performance or of ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Cardinal.

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