NEWS RELEASE **FEBRUARY 26, 2020**

CARDINAL ENERGY LTD. ANNOUNCES 2019 YEAR-END RESERVES, ENVIRONMENTAL, SOCIAL AND GOVERNANCE AND OPERATIONAL UPDATE

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX:CJ) is pleased to present the results of its independent reserve report effective December 31, 2019. Cardinal's year-end 2019 reserves were evaluated by independent reserves evaluator GLJ Petroleum Consultants ("GLJ") as at December 31, 2019 (the "2019 Reserve Report"). The 2019 financial and operating information in this press release is based on estimates and is unaudited and accordingly, such financial information is subject to change based on the results of the Company's year-end audit.

SUSTAINABILITY

2019 was a year of focus on long term sustainability for Cardinal with government imposed oil production curtailments limiting our ability to grow production. As a result of this environment, Cardinal focused on debt repayment, share buybacks, operating cost reduction projects, including power generation and infrastructure upgrades, as well as testing of new play concepts. Of our $63 million capital budget in 2019, approximately 45% was spent on drilling and completions. During 2019, Cardinal drilled 26 (25.5 net) wells including ten (10.0 net) stratigraphic tests, seven (7.0 net) wells targeting our legacy Glauc Channel activity and nine (8.5 net) wells across new play types/areas for Cardinal.

OPERATIONAL HIGHLIGHTS

In the operation of our business, we have several areas in which to allocate our capital budget every year. In determining where our spending will occur we take into account various factors beyond oil, natural gas, differentials and electricity pricing. We also allocate our budget dollars into areas that require facility enhancement or improvements, projects which will reduce future operating costs such as self-generation of electricity, and abandonments and reclamation activities. We focus our efforts on projects which offer the greatest return on capital for short and long term returns. Due to the long life nature of our assets, drilling is not always the highest or best return within our capital budget.

As we designed our 2019 budget we were subject to regulated production curtailments and saw this as an opportunity to enhance shareholder return in ways other than production growth. Our 2019 budget focused on per share value creation through a combination of production maintenance, debt repayment, share buybacks and reduction in long term operating costs.

Overall we saw an increase in net asset value per debt adjusted diluted share of 6% while still spending part of our capital budget improving our business for the future. We have derisked drilling plays on our lands through stratigraphic tests and drilled wells into new plays which had not been previously tried on Cardinal lands to derisk further drilling inventory for the future. One of the plays which we tried in 2019 for the first time was the Regional Glauc sand in the Medicine Hat area. The best well Cardinal drilled into the Regional Glauc is currently producing in excess of 500 Boe/d (85% light and medium crude oil, 15% conventional natural gas) with offsetting wells expected to commence production in the first quarter.

Power generation projects in our 2019 capital program reduce our reliance on the Alberta power grid by approximately 2.5 megawatts which we forecast will lower our annual power costs by approximately $2.3 million. We will continue to pursue additional power projects every year as part of our long term operating cost reduction strategy.

In 2019, we repurchased a total of 1.7 million shares under our common share normal course issuer bid ("NCIB") and funded the acquisition of 2.3 million shares under our independent trust for potential future settlement of awards under our bonus reward incentive plan saving Cardinal approximately $0.7 million/year in dividend distribution and minimizing further share dilution.

In addition, Cardinal repaid $22 million of net debt in 2019.

RESERVE REPORT HIGHLIGHTS

All reserves information contained in this press release is based on the 2019 Reserve Report.

- Proved Plus Probable ("TPP"), Total Proved ("TP") and Proved Developed Producing ("PDP") reserves were added through exploration and development activities and performance improvements, totaling 5.8 Mmboe, 5.7 Mmboe and 4.4 Mmboe, respectively, while spending less than 55% of our adjusted funds flow.
- Increased PDP and TPP reserves per debt adjusted diluted share by 8% and 11%, respectively.
- Increased PDP and TPP net present value before income tax discounted at 10% ("NPV10") per debt adjusted diluted share by 6%.
- Cardinal continues to maintain a long producing reserve life index(1) ("RLI") of 9.6 years PDP and 12.1 years Proved Plus Probable Producing ("PPDP") based on fourth quarter 2019 production which reflects the low risk predictable nature of our asset base.
- Cardinal's PPDP reserves account for 83% of the Company's total reserves.
- 2019 PDP finding, development and acquisition(2) ("FDA") cost including the change in future development costs ("FDC") was $18.01/boe, resulting in a recycle ratio(3) of 1.24 times in a year focused on sustainability with capital being directed to operating cost reduction projects, new plays and infrastructure. A reduction in natural gas reserves was realized in areas where natural gas is now utilized for power generation and will result in future operating cost savings.
- 3 year average PDP, TP and TPP FDA of $11.85, $12.35 and $11.05 per boe, respectively.
- Based on the 2019 Reserve Report, the debt adjusted, net asset value(4) of the Company's PDP reserves was $6.17 per basic share.
- 90% of Cardinal's TPP reserves are associated with oil and natural gas liquids.

Notes:

(1) RLI is calculated by dividing the reserves by the annualized fourth quarter production of 20,227 boe per day, consisting of 11,214 bbl/d of light and medium crude oil, 5,540 bbl/d of heavy crude oil, 890 bbl/d of natural gas liquids and 15.5 mmcf/d of conventional natural gas.

(2) FDA costs are used as a measure of capital efficiency and are calculated by dividing the unaudited development capital expenditures for the period, including the change in undiscounted FDC, by the change in reserves, incorporating revisions and production for the same period.
(3) The recycle ratio is calculated by dividing the average 2019 operating netback of $22.31/boe (unaudited), by the FDA costs for the period. See "Oil and Gas Metrics" below.
(4) PDP net asset value is based on the before tax NPV10 of the PDP reserves less net debt of $247.6 million (unaudited) divided by the Company's basic shares at December 31, 2019 of 113.6 million.

OIL AND GAS RESERVES

The 2019 Reserve Report encompasses 100% of Cardinal's oil and gas properties and was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook("COGEH") and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Reserves Detail

In our Central area, Cardinal saw a reduction in our natural gas reserves as some of these reserves will now be used for Company owned power generation at select sites, providing Cardinal with long term operating cost reductions and extending the economic life of these assets.

Cardinal has increased the FDC from the prior year with the inclusion of additional maintenance capital and CO_2 purchases. FDC included at year-end 2019 for CO_2 purchases, maintenance and facility capital in PDP, TP and TPP were $77 million, $84 million and $98 million, respectively. This represents 36% of Cardinal's TPP FDC of $270 million.

In the 2019 Reserve Report, Cardinal has included all abandonment, decommissioning and reclamation ("ADR") costs for active and inactive wells, pipelines and facilities in the TP and TPP reserves category. The ADR costs for the active assets are recognized in the PDP reserves category. This change has resulted in a small decrease in value relative to 2018 and was made based on new recommendations added to the COGEH in 2019. This is a change to the prior years' report, where ADR costs were included only for those wells assigned reserves. At year-end 2019, the 2019 Reserve Report included ADR costs discounted at 10% in PDP, TP and TPP of $24.6 million, $77.3 million and $77.3 million, respectively.

Consistent with prior years and in accordance with COGEH recommendations, Cardinal has included all operating costs, for active and inactive assets. The Company also includes the consideration of future maintenance costs which is included as part of the operating costs or as FDC.

Summary of Oil and Gas Reserves (1)

The following tables summarize certain information contained in the 2019 Reserve Report. Reserves included below are the Company's estimated gross reserves as at December 31, 2019, as evaluated in the 2019 Reserve Report.

Reserves Category	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Conventional Natural Gas(2) (MMcf)	Total BOE (Mboe)
Proved Developed Producing	38,370	23,280	2,877	38,390	70,926
Proved Developed Non-Producing	650	744	139	5,065	2,377
Proved Undeveloped	4,941	2,840	260	3,249	8,583
Total Proved	**43,962**	**26,864**	**3,276**	**46,704**	**81,886**

Probable	14,317	8,023	1,079	16,312	26,138
Total Proved Plus Probable	**58,279**	**34,887**	**4,355**	**63,016**	**108,024**

Notes:
(1) Total values may not add due to rounding.
(2) Includes non-associated gas, associated gas and solution gas.
(3) In addition to the gross reserves indicated in the above table, the Company has 174 mboe TPP royalty interest reserves comprised of 132 mbbl light and medium crude oil and 244 mmcf of conventional natural gas.

Summary of Net Present Values of Future Net Revenue (Before Tax)
(Based on forecast price and costs)

As at December 31, 2019 (1)(2)(3)

	Discounted at:				
Reserves Category	**0.0% (M$)**	**5.0% (M$)**	**10.0% (M$)**	**15.0% (M$)**	**20.0% (M$)**
Proved Developed Producing	1,655,951	1,242,756	948,665	766,119	645,503
Proved Developed Non-Producing[4]	(127,896)	(52,774)	(30,554)	(21,726)	(17,498)
Proved Undeveloped	232,973	140,985	96,332	69,050	50,603
Total Proved	**1,761,028**	**1,330,968**	**1,014,444**	**813,443**	**678,609**
Probable	1,005,334	453,588	269,930	185,443	138,195
Total Proved Plus Probable	**2,766,362**	**1,784,556**	**1,284,374**	**998,886**	**816,804**

Notes:
(1) Total values may not add due to rounding.
(2) Based on three consultant's average, as defined below, December 31, 2019 forecast prices and costs. See below for "Price Forecast".
(3) Future net reserves are reduced for future abandonment costs and estimated capital for future development associated with the reserves.
(4) The Proved Developed Non-Producing net present value includes the consideration of the inactive ADR costs of the Company. Excluding these costs the NPV10 of these reserves would be $22.2 million.

Reconciliations of Changes in Reserves

The following table sets out a reconciliation of the changes in the Corporation's reserves as at December 31, 2019 against such reserves at December 31, 2018 based on forecast prices and cost assumptions in effect at the applicable reserve evaluation date:

	Total Proved				
	Light and Medium Crude Oil (Mbbl)	**Heavy Crude Oil (Mbbl)**	**Conventional Natural Gas (MMcf)**	**Natural Gas Liquids (Mbbl)**	**MBOE (Mboe)**
December 31, 2018	43,873	27,749	54,160	2,909	83,558
Technical Revisions (1)	1,975	999	(1,338)	632	3,383
Improved Recovery	65	129	226	3	235
Extensions and Infill Drilling	2,501	244	942	157	3,058
Dispositions (2)	-	(24)	-	-	(24)
Economic Factors	(430)	(146)	(1,619)	(84)	(930)
Production	(4,022)	(2,087)	(5,667)	(339)	(7,392)
December 31, 2019	**43,962**	**26,864**	**46,704**	**3,276**	**81,886**

	Total Proved Plus Probable				
	Light and Medium Crude Oil (Mbbl)	**Heavy Crude Oil (Mbbl)**	**Conventional Natural Gas (MMcf)**	**Natural Gas Liquids (Mbbl)**	**MBOE (Mboe)**
December 31, 2018	58,048	35,926	71,468	3,779	109,664
Technical Revisions (1)	944	(110)	(2,794)	762	1,129
Improved Recovery	88	189	436	5	355
Extensions and Infill Drilling	3,751	1,232	1,789	252	5,533
Dispositions (2)	-	(31)	-	-	(31)
Economic Factors	(530)	(231)	(2,217)	(104)	(1,234)
Production	(4,022)	(2,087)	(5,667)	(339)	(7,392)
December 31, 2019	**58,279**	**34,887**	**63,016**	**4,355**	**108,024**

Notes:

(1) Technical revisions include a negative revision of 5 bcf of natural gas due to reserves utilized for power generation; for solution gas-oil ratio changes; and other minor revisions.

(2) There were no reserve acquisitions in 2019.

Price Forecast

The following table summarizes Consultant's average (an arithmetic average of the price forecasts of GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.) commodity price forecast and foreign exchange rate assumptions as at December 31, 2019, as applied in the 2019 Reserve Report, for the next five years.

Consultants Average Price Forecast(1)

Year	**Exchange Rate ($US/$C)**	**WTI @ Cushing ($US/bbl)**	**Canadian Light Sweet 40° API ($C/bbl)**	**Western Canada Select 20.5° API $C/bbl)**	**Medium at Cromer 29° API ($C/bbl)**	**Natural gas AECO – C spot ($C/MMbtu)**
2020	0.760	61.00	72.64	57.57	70.22	2.04
2021	0.770	63.75	76.06	62.35	73.15	2.32
2022	0.785	66.18	78.35	64.33	74.95	2.62
2023	0.785	67.91	80.71	66.23	77.19	2.71
2024	0.785	69.48	82.64	67.96	79.05	2.81

Note:

(1) Inflation is accounted for at 0% for 2020, and 2% thereafter.

Future Development Costs

FDC reflects the best estimate of the capital cost required to produce the reserves. The FDC associated with the TPP reserves at yearend 2019 is $270 million undiscounted ($189 million discounted at 10%).

millions $	PDP	Total Proved	Total Proved plus Probable
Total FDC, Undiscounted	77.7	219.8	270.3
Total FDC, Discounted at 10%	44.0	156.3	189.4

FDC included at year-end 2019 for CO_2 purchases, maintenance and facility capital in PDP, TP and TPP were $77 million, $84 million and $98 million, respectively. This represents 36% of Cardinal's TPP FDC of $270 million. There are 92 net future locations included in the 2019 Reserve Report (including future CO_2 injectors).

Performance Metrics (1)(2)

Cardinal's FDA costs for 2019, 2018 and the three-year average are presented in the table below. The costs used in the FDA calculation are the capital costs related to: land acquisition and retention, drilling and completions, tangible well site tie-ins and facilities, plus the change in estimated FDC as per the 2019 Reserve Report. Acquisition costs are net of any proceeds from dispositions of properties. The reserves used in this calculation are Company reserve additions, including revisions.

	2019 FD&A $/boe	2018 FD&A $/boe	3 Year Average FD&A $/boe
PDP	$18.01	$4.12	$11.85
TP	$19.57	$6.86	$12.35
TPP	$20.06	$7.99	$11.05

Note:

(1) FDA costs are used as a measure of capital efficiency and are calculated by dividing the unaudited development capital expenditures, net of acquisitions and dispositions for the period, including the change in undiscounted inflated FDC, by the change in reserves, incorporating revisions and production for the same period.

(2) FDA calculations are based on Company gross reserves and any royalty interest reserves.

Debt Adjusted Performance Per Share (1)(2)

	Year End 2019		Year End 2018		% Change	
Reserves/Share (boe/debt adjusted share)	**Basic**	**Diluted**	**Basic**	**Diluted**	**% Change Basic**	**% Change Diluted**
Proved Producing	0.34	0.33	0.31	0.31	9%	8%
Total Proved	0.39	0.38	0.35	0.35	11%	11%
Total Proved and Probable	0.52	0.51	0.46	0.46	12%	11%
NPV10/Share ($/debt adjusted share)						
Proved Producing	4.54	4.44	4.27	4.21	6%	6%
Total Proved	4.86	4.75	4.69	4.62	4%	3%
Total Proved and Probable	6.15	6.02	5.78	5.69	6%	6%
Debt Adjusted Shares	208,887,632	213,501,127	237,637,627	241,135,537		

Notes:
(1) Debt adjusted shares are based on the closing share price at December 31, 2019 of $2.60/share and December 31, 2018 of $2.22/share and unaudited net debt of $247.6 million at December 31, 2019 and net debt of $269.7 million at December 31, 2018.
(2) Diluted shares include outstanding Restricted Awards,

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Since Cardinal's inception in 2013, we have remained committed to managing and operating our business in a safe, efficient and environmentally responsible manner and we are pleased to illustrate this progress in our inaugural ESG Report.

The ESG Report outlines environmental, safety and social responsibilities that we are committed to as well as our initiatives that support this commitment. In this first report we do not reference any select standards but comment generally on these topics. We plan to expand this reporting in 2020 and beyond.

The ESG Report was approved by our executive team and Board of Directors and is intended to assist our stakeholders to better understand our commitment to operating in a responsible and sustainable manner.

The focus of our ESG Report is on sustainability and stewardship of our assets. Canada is a leader in carbon intensity reduction and Cardinal operates one of the largest carbon storage projects in Canada. Our excellent safety record (zero recordable injury frequency and zero lost time injury frequency) demonstrates that our emphasis on processes and planning is working and reinforces all of our internal ESG focused initiatives.

We hope you will view our full ESG Report on our updated website at www.cardinalenergy.ca

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, future drilling plans, estimated annual power savings costs, plans to pursue additional power projects, our long term operating cost reduction strategy, future ESG plans, Cardinal's asset base and its future potential and opportunities, drilling locations and inventory, planned capital expenditures and the allocation thereof, 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.

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 competition, conditions in general economic and financial markets, access to markets, availability of drilling and related equipment, effects of regulation by governmental agencies, including curtailments, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions 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.

Oil and Gas Metrics

The term "boe" or barrels of oil equivalent 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 equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This press release contains a number of additional oil and gas metrics, net asset value**,** including finding and development costs, finding, development and acquisition costs, reserve life index and recycle ratio, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been calculated by management and included herein to provide readers with additional measures to evaluate Cardinal's performance; however, such measures are not reliable indicators of the future performance of Cardinal and future performance may not compare to the performance in previous periods.

Finding and developments costs and finding, development and acquisition costs are used as a measure of capital efficiency. Finding and development costs are calculated on a per boe basis by dividing the aggregate of the change in future development costs from the prior year for the particular reserve category and the costs incurred on development and exploration activities in the year by the change in reserves (including royalty interest reserves) from the prior year for the reserve category. Total Development expenditures include costs of land and seismic, but exclude capitalized general and administration costs. The aggregate of the 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 reserves additions for that year. Finding development and acquisition costs are calculated on a per boe basis by dividing the aggregate of the change in future development costs from the prior year for the particular reserve category and the costs incurred on development and exploration activities and property acquisitions (net of dispositions) in the year by the change in reserves (including royalty interest reserves) from the year for the reserve category. Acquisition costs include the announced purchase price of acquisitions rather than the amounts allocated to property, plant and equipment and exploration and evaluation assets for accounting purposes. The acquired cost per boe included all company interest reserves, including royalty interest reserves. Recycle ratio is calculated by dividing operating netback per boe (without realized gains on commodity contracts on a boe basis) by the finding, development and acquisition costs for the relevant reserve category for the year. Operating netback is equal to production revenues, less royalties, operating and transportation expenses. Operating netback per boe is calculated by dividing operating netback by total production volumes sold in the period. Reserve life index is calculated based on the amount for the relevant reserve category divided by fourth quarter average daily company interest production.

Net asset value is based on the NPV10 before tax for the respective reserve category less net debt.

Certain financial and operating information included in this press release for the year ended December 31, 2019, including FD&A costs and operating netbacks are based on estimated unaudited financial results for the year then ended, and are subject to the same limitations as discussed under Forward Looking Statements set out above. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2019 and changes could be material.

Reserves Advisories

Unless otherwise indicated, all reserves reported in this press release are Company share gross reserves which represent Cardinal's total working interest reserves prior to the deduction of royalties payable.

Future net revenue is a forecast of revenue, estimated using forecast prices and costs arising from the anticipated development and production of resources, net of associated royalties, operating costs, development costs and all corporate abandonment and reclamation costs for all active and inactive wells, pipelines and facilities. It should not be assumed that the future net revenues undiscounted and discounted at 10% included in this press release represent the fair market value of the reserves.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.

Reserve Definitions:

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.

"Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

"Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

Drilling Locations

This news release discloses Cardinal's 92.3 net booked drilling (69.7 proved and 22.6 probable locations) locations which are included in the 2019 Reserve Report. There is additional reference in the Operational Highlights to locations, these are unbooked locations. There is no certainty that we will drill all drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore these is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Non-GAAP measures

This press release contains the terms "adjusted funds flow", "development capital expenditures", "net debt" and "netback" 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 to analyze operating performance and assess leverage. Cardinal feels this benchmark is a key measure of profitability and overall sustainability for the Company. Adjusted funds flow 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. Adjusted funds flow is calculated as cash flows from operating activities adjusted for changes in non-cash working capital, decommissioning expenditures and transaction costs. Development capital expenditures represents expenditures on property, plant and equipment (excluding capitalized G&A and other assets) to maintain and grow the Company's base production. The term "net debt" is not recognized under GAAP and is calculated as bank debt plus the principal amount of convertible unsecured subordinated debentures ("convertible debentures") and current liabilities less current assets (adjusted for the fair value of financial instruments, the current portion of lease liabilities and the current portion of the decommissioning obligation). Net debt is used by management to analyze the financial position, liquidity and leverage of Cardinal. Netback is calculated on a boe basis and is determined by deducting royalties, transportation costs and net operating expenses from petroleum and natural gas revenue. Netback is utilized by Cardinal to better analyze the operating performance of our petroleum and natural gas assets.

About Cardinal Energy Ltd.

One of Cardinal's goals is to continually improve our Environmental, Safety and Governance mandate and operate our assets in a responsible and environmentally sensitive manner. As part of this mandate, Cardinal injects and conserves more carbon than it emits making us one of the few Canadian energy companies to have a negative carbon footprint.

Cardinal is a Canadian oil focused company built to provide investors with a stable platform for dividend income. Cardinal's operations are focused in low decline light and medium quality oil in Western Canada.

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