NEWS RELEASE **MARCH 16, 2021**

CARDINAL ENERGY LTD. ANNOUNCES FOURTH QUARTER 2020 AND YEAR-END FINANCIAL RESULTS

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce its operating and financial results for the fourth quarter and year ended December 31, 2020.

2020 FINANCIAL HIGHLIGHTS

- Fourth quarter adjusted funds flow(1) of $13.6 million funded a conservative capital program of $3.6 million and supported a $12.5 million reduction in net debt(1) compared to the third quarter of 2020;

- Average fourth quarter production increased 5% over the prior quarter to average 18,625 boe per day as the Company reactivated production shut-in earlier in the year;

- Fourth quarter net operating expenses(1) per boe decreased 17% over the same period in 2019 averaging $16.84 per boe while annual net operating expenses(1) decreased by $37.9 million or 24% over 2019 to average $17.39 per boe;

- Fourth quarter 2020 general and administrative ("G&A") expenses per boe decreased 27% over the fourth quarter of 2019 to average $1.64 per boe;

- Net debt(1) at December 31, 2020 of $246.8 million decreased $27 million or 10% from the high point of the year at the end of the first quarter of 2020. With the recently completed redemption of convertible debentures, our pro-forma net debt(1) at December 31, 2020 is reduced to $218.8 million, a $55 million or 20% reduction from the first quarter of 2020;

- During the fourth quarter, we completed the extension of our syndicated credit facility with a maturity in May 2022 and exchanged $16.2 million of 2020 maturing convertible debentures with new secured notes which mature in 2022;

- In the fourth quarter of 2020 a reversal of prior non-cash impairment charges of $122.7 million demonstrated a recovery in forward oil prices and an improved financial position.

(1) See non-GAAP measures

Financial and Operating Highlights

($000's except shares, per share and operating amounts)	Three months ended December 31,			Year ended December 31,		
	2020	2019	% Chg	2020	2019	% Chg
Financial						
Petroleum and natural gas revenue	66,065	93,272	(29)	223,231	388,971	(43)
Cash flow from operating activities	12,810	31,714	(60)	43,525	119,979	(64)
Adjusted funds flow (1)	13,608	28,864	(53)	43,827	121,810	(64)
per share basic and diluted (1)	0.12	0.25	(52)	0.39	1.06	(63)
Earnings (loss)	119,988	(15,094)	n/m	(363,160)	(34,340)	n/m
per share basic	1.06	(0.13)	n/m	(3.20)	(0.30)	n/m
per share diluted	1.04	(0.13)	n/m	(3.20)	(0.30)	n/m
Development capital expenditures (1)	3,325	19,621	(83)	30,393	63,603	(52)
Other capital expenditures (1)	242	397	(39)	1,113	1,665	(33)
Acquisitions, net	-	112	(100)	-	396	(100)
Total capital expenditures	3,567	20,130	(82)	31,506	65,664	(52)
Common shares, net of treasury shares (000s)				121,349	113,657	7
Dividends declared				3,511	17,923	(80)
per share				0.03	0.15	(80)
Bank debt				192,115	173,308	11
Adjusted working capital deficiency(1)				10,284	29,291	(65)
Net bank debt (1)				202,399	202,599	-
Secured notes				16,217	-	n/m
Convertible debentures				28,207	45,000	(37)
Net debt (1)				246,823	247,599	-
Operating						
Average daily production (2)						
Light oil (bbl/d)	6,929	8,100	(14)	7,173	8,069	(11)
Medium/heavy oil (bbl/d)	8,220	8,657	(5)	8,093	8,722	(7)
NGL (bbl/d)	1,200	893	34	911	932	(2)
Natural gas (mcf/d)	13,653	15,459	(12)	13,585	15,576	(13)
Total (boe/d)	18,625	20,227	(8)	18,442	20,319	(9)
Netback ($/boe) (1)						
Petroleum and natural gas revenue	38.56	50.12	(23)	33.07	52.45	(37)
Royalties	5.90	9.36	(37)	4.93	8.87	(44)
Net operating expenses	16.84	20.31	(17)	17.39	20.94	(17)
Transportation expenses	0.25	0.27	(7)	0.29	0.33	(12)
Netback	15.57	20.18	(23)	10.46	22.31	(53)
Realized loss on commodity contracts	3.58	0.79	n/m	0.07	1.98	(96)
Netback after risk management (1)	11.99	19.39	(39)	10.39	20.33	(49)
Interest and other	2.40	1.62	48	1.94	1.77	10
G&A	1.64	2.26	(27)	1.97	2.14	(8)
Adjusted funds flow netback (1)	7.95	15.51	(49)	6.48	16.42	(61)

(1) See non-GAAP measures
(2) See Supplemental Information Regarding Product Types

FOURTH QUARTER AND 2020 HIGHLIGHTS

Cardinal began 2020 with a plan to modestly increase production while continuing to reduce debt. Our successful first quarter 2020 drilling program was quickly halted in early March when the coronavirus pandemic ("COVID-19") spread throughout the world. With the uncertainty of demand and the effect on commodity prices, we reacted quickly cutting our capital program by over 50% and reducing our well reactivation program to only essential expenditures. We focused on what we could control by reducing costs including capital costs, operating costs and compensation costs throughout the organization. Despite the difficult environment, Cardinal was able to lower our net debt from the high experienced at the end of the first quarter of $273.8 million to $246.8 million at the end of 2020, a 10% reduction.

Despite a conservative $3.6 million capital program, fourth quarter production increased by 5% over the prior quarter to average 18,625 boe per day. After capital expenditures, the majority of the fourth quarter adjusted funds flow of $13.6 million was earmarked for debt repayment as the Company reduced its net debt by $12.5 million in the fourth quarter.

In 2020, net operating expenses and net operating expenses per boe decreased 24% and 17%, respectively, over 2019 due to reduced labor costs combined with decreased well servicing and reactivations. After COVID-19 struck, the Company deferred non-essential well reactivations which reduced our operating costs by approximately $1.50 per boe during 2020. In addition, power generation initiatives completed in 2019 and early 2020 have assisted in reducing Cardinal's Alberta power grid usage by 13% during 2020 compared to 2019 contributing to a 15% or $0.76 per boe decrease in 2020 power costs.

In response to COVID-19, Cardinal was quick to respond in reducing our G&A costs. Through a combination of reduced staffing, salaries and bonuses combined with certain government grants, our fourth quarter and annual G&A costs per boe decreased by 27% and 8%, respectively. Our total annual Board, executive and office staff compensation costs decreased by approximately 16% over 2019 demonstrating Cardinal's commitment to cost reduction.

Through a challenging period in 2020, Cardinal successfully managed our financial position with a series of transactions. In August, we closed an exchange of $28.2 million of our 5.5% convertible debentures that were maturing in December 2020 for new 8% convertible debentures maturing in 2022. In December, Cardinal completed the extension of our syndicated credit facility with a maturity date in May 2022 and also entered into subscription agreements for a non-brokered private placement of secured notes for net proceeds of $16.2 million for which the proceeds were utilized to repay the remaining maturing 5.5% convertible debentures. Subsequent to year-end, the Company issued a redemption notice for all of the outstanding 8% convertible debentures. Prior to the redemption date, 99.3% of the outstanding debentures were converted into 22.4 million common shares which reduced the Company's net debt by $28 million.

In the fourth quarter of 2020, Cardinal had earnings of $120 million compared to a loss of $15.1 million in the same period in 2019. During the quarter, increased forecasted commodity prices combined with improved economic stability and certainty, positively affected the Company's outlook and future value of proved and probable oil and gas reserves and a non-cash impairment reversal of $122.7 million was recorded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

In 2020, we participated in various government programs focused on well and pipeline abandonments and facility decommissioning which enabled us to make significant progress on our long-term abandonment and reclamation efforts. In 2021, we expect to continue with our meaningful abandonment and reclamation program and will strengthen our ESG performance as we build on our negative carbon footprint. Our annual 2020 ESG report is posted on our corporate website.

OUTLOOK

After a difficult and challenging 2020, 2021 is shaping up to be a significant improvement for Cardinal. Global optimism around COVID-19 vaccines and an economic recovery have created positive market sentiment and along with material increases in oil prices are leading to a vastly improved outlook for the Company. With the recently completed $28.2 million settlement of the 8% debentures and our continued debt repayment strategy, our financial position continues to strengthen.

Our 2021 budget based on WTI US$52/bbl, is focused on debt repayment and has a modest capital program emphasizing well reactivations and reducing our asset retirement obligations. If oil prices continue to remain above US$60/bbl, we will revisit our budget for the second half of the year and may modestly add to our capital program to ensure reserve replacement and production growth for 2021. Our focus will continue to be on our balance sheet and the reduction of our overall liabilities.

As we recover from the effects of COVID-19, our focus remains on the health and safety of our employees and contractors while continuing to execute our business plan with our top tier low decline asset base.

We would like to thank our staff for their hard work, our Board for their guidance and our stakeholders for their support through a difficult 2020.

ANNUAL FILINGS

Cardinal also announces the filing of its Audited Financial Statements for the year ended December 31, 2020 and related Management's Discussion and Analysis with the Canadian securities regulatory authorities on the System for Electronic Analysis and Retrieval ("SEDAR"). In addition, Cardinal will file its Annual Information Form for the year ended December 31, 2020 on SEDAR on or prior to March 30, 2021. Electronic copies may be obtained on Cardinal's website at www.cardinalenergy.ca and on Cardinal's SEDAR profile at www.sedar.com.

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: our business strategies, plans and objectives, our 2020 capital programs and spending plans, our drilling plans, our potential revised 2021 capital program and allocation thereof, adjusted funds flow and net debt, our continuing COVID-19 response plans, the quality of our asset base and decline rates, our abandonment and reclamation program, our future ESG performance, our future financial position, plans for reserve replacement and production growth in 2021, plans to continue to strengthen our balance sheet and to reduce liabilities and plans to operate our assets in a responsible and environmentally sensitive manner.

Forward-looking statements regarding Cardinal are based on certain key expectations and assumptions of Cardinal concerning anticipated financial performance, business prospects, strategies, regulatory developments, production curtailments, current and future commodity prices and exchange rates, applicable royalty rates, tax laws, industry conditions, availability of government subsidies and abandonment and reclamation programs, 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 timing and success of our cost cutting initiatives and power projects, the availability and cost of labor and services, the impact of competition, conditions in general economic and financial markets, availability of drilling and related equipment, effects of regulation by governmental agencies including curtailment, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions and 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 including government subsidies and abandonment and reclamation programs; 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.

Supplemental Information Regarding Product Types

This press release includes references to 2020 and 2021 production. The Company discloses crude oil production based on the pricing index that the oil is priced off of. The following table is intended to provide the product type composition as defined by NI 51-101.

	Light/Medium Crude Oil	Heavy Oil	NGL	Conventional Natural Gas	Total (boe/d)
Q4/20	55%	26%	7%	12%	18,625
Q4/19	56%	27%	4%	13%	20,227
2020	57%	26%	5%	12%	18,442
2019	55%	28%	4%	13%	20,319

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

Non-GAAP measures

This press release contains the terms "development capital expenditures", "other capital expenditures", "adjusted funds flow", "adjusted funds flow per basic share", "adjusted funds flow per diluted share", "net debt", "net bank debt", "adjusted working capital", "net operating expenses", "netback", "netback after risk management contracts" and "adjusted funds flow 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, adjusted funds flow per basic and diluted share to analyze operating performance and assess leverage. Cardinal feels these benchmarks are 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. As shown below, adjusted funds flow is calculated as cash flows from operating activities adjusted for changes in non-cash working capital and decommissioning expenditures. Development capital expenditures represents expenditures on property, plant and equipment (excluding capitalized G&A, other assets and acquisitions). Other capital expenditures includes capitalized G&A and other assets. Adjusted working capital includes current assets less current liabilities adjusted for fair value of financial instruments, the current liability component of convertible debentures, current lease liabilities, the warrant liability and current decommissioning obligations. The term "net debt" is not recognized under GAAP and as shown below, is calculated as bank debt plus the principal amount of convertible unsecured subordinated debentures and adjusted working capital. 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 debentures and secured notes. Net bank debt is used by management to analyze the financial position, liquidity, leverage and borrowing capacity on Cardinal's bank line. Net operating expenses is calculated as operating expense less processing and other revenue primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest, and can be expressed on a per boe basis. As the Company's principal business is not that of a midstream entity, management believes this is a useful supplemental measure to reflect the true cash outlay at its processing facilities by utilizing spare capacity through processing third party volumes. 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 after risk management contracts includes realized gains or losses on commodity contracts in the period on a boe basis. Adjusted funds flow netback is calculated as netback after risk management and also includes interest and other costs and G&A costs on a boe basis. Netback, netback after risk management contracts and adjusted funds flow netback are utilized by Cardinal to better analyze the operating performance of our petroleum and natural gas assets taking into account our risk management program, interest and G&A costs against prior periods.

The following table reconciles adjusted funds flow:

	Three months ended		Year ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash flow from operating activities	12,810	31,714	43,525	119,979
Change in non-cash working capital	202	(5,784)	(2,547)	(4,740)
Funds flow	13,012	25,930	40,978	115,239
Decommissioning expenditures	596	2,934	2,849	6,571
Adjusted funds flow	13,608	28,864	43,827	121,810

The following table reconciles adjusted working capital:

	Year ended	
	December 31, 2020	December 31, 2019
Working capital deficiency	(25,690)	(84,895)
Fair value of financial instruments	6,909	3,146
Liability component of convertible debentures	-	44,158
Lease liabilities	1,687	1,850
Decommissioning obligation	3,280	6,450
Warrant liability	3,530	-
Adjusted working capital deficiency	(10,284)	(29,291)

The following table reconciles net debt and net bank debt:

	Year ended	
	December 31, 2020	December 31, 2019
Bank debt	192,115	173,308
Adjusted working capital deficiency	10,284	29,291
Net bank debt	202,399	202,599
Secured notes	16,217	-
Principal amount of convertible debentures	28,207	45,000
Net debt	246,823	247,599

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.

About Cardinal Energy Ltd.

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

Cardinal is a Canadian oil focused company with operations focused on low decline light, medium and heavy quality oil in Western Canada.

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