NEWS RELEASE **NOVEMBER 8, 2022**

CARDINAL ENERGY LTD. ANNOUNCES THIRD QUARTER 2022 OPERATING AND FINANCIAL RESULTS AND 2023 BUDGET

Calgary, Alberta – Cardinal Energy Ltd. ("**Cardinal**" or the "**Company**") (TSX: CJ) is pleased to announce its operating and financial results for the third quarter ended September 30, 2022 and its 2023 budget.

Selected financial and operating information is shown below and should be read in conjunction with Cardinal's unaudited condensed interim financial statements and related Management's Discussion and Analysis for the three and nine month periods ended September 30, 2022 which are available at www.sedar.com and on our website at www.cardinalenergy.ca.

FINANCIAL AND OPERATING HIGHLIGHTS FROM THE THIRD QUARTER OF 2022

- In the third quarter of 2022, Cardinal returned $48 million to shareholders comprised of $24 million in dividends and $24 million in common share purchases and cancellations;
- Strong drilling results increased third quarter production by 12% over the same period in 2021 to 21,715 boe/d;
- Petroleum and natural gas revenue increased 50% in the third quarter of 2022 over the same period in 2021 due to a 34% increase in realized commodity prices combined with increased production;
- Third quarter 2022 adjusted funds flow(1) increased to $79.6 million ($0.50/diluted share), a 112% increase over the third quarter of 2021;
- Third quarter free cash flow(1) increased to $56.3 million which enabled the Company to increase our monthly dividend beginning in the fourth quarter;
- Net debt(1) has decreased 71% in the past twelve months leading to a 41% decrease in financing costs in the third quarter compared to the same period in 2021. The financing cost decrease included a 62% decrease in bank debt interest despite higher interest rates;
- The net debt to adjusted funds flow ratio(1) remained low at 0.2x for the third quarter of 2022 with drawn bank debt at the end of the third quarter at $42 million.

(1) See non-GAAP and other financial measures

The following table summarizes our third quarter financial and operating highlights:

($000's except shares, per share and operating amounts)	Three months ended Sept 30			Nine months ended Sept 30		
	2022	2021	% Chg	2022	2021	% Chg
Financial						
Petroleum and natural gas revenue	179,441	120,007	50	582,696	304,660	91
Cash flow from operating activities	98,325	37,410	163	268,578	73,148	267
Adjusted funds flow [(1)]	79,647	37,563	112	294,535	79,012	273
per share - basic	$ 0.51	$ 0.25	104	$ 1.92	$ 0.56	243
per share - diluted	$ 0.50	$ 0.23	117	$ 1.87	$ 0.52	260
Earnings	32,996	262,326	(87)	188,822	245,460	(23)
per share - basic	$ 0.21	$ 1.76	(88)	$ 1.23	$ 1.74	(29)
per share - diluted	$ 0.21	$ 1.64	(87)	$ 1.20	$ 1.63	(26)
Development capital expenditures [(1)]	23,301	16,532	41	83,266	32,467	156
Other capital expenditures [(1)]	544	301	81	1,913	872	119
Property acquisitions, net [(1)]	145	694	(79)	145	4,028	(96)
Total capital expenditures [(1)]	23,990	17,527	37	85,324	37,367	128
Common shares, net of treasury shares (000s)	155,737	150,332	4	155,737	150,332	4
Dividends declared	23,996	-	n/m	32,157	-	n/m
Per share	0.15	-	n/m	0.20	-	n/m
Total Payout ratio [(1)]	59%	44%	34	39%	41%	(5)
Bank debt				42,167	170,229	(75)
Adjusted working capital deficiency [(1)]				19,900	17,238	15
Net bank debt [(1)]				62,067	187,467	(67)
Secured notes				-	30,270	(100)
Net debt [(1)]				62,067	217,737	(71)
Net debt to adjusted fund flow ratio [(1)]				0.2	2.4	(92)
Operating						
Average daily production						
Light oil (bbl/d)	8,291	7,485	11	8,043	7,220	11
Medium/heavy oil (bbl/d)	10,038	8,871	13	10,151	8,087	26
NGL (bbl/d)	870	600	45	867	930	(7)
Natural gas (mcf/d)	15,095	15,101	-	14,836	14,215	4
Total (boe/d)	21,715	19,473	12	21,534	18,606	16
Netback ($/boe) [(1)]						
Petroleum and natural gas revenue	89.82	66.99	34	99.12	59.98	65
Royalties	(19.52)	(12.38)	58	(20.38)	(10.31)	98
Net operating expenses [(1)]	(26.75)	(23.53)	14	(24.60)	(22.20)	11
Transportation expenses	(0.83)	(0.58)	43	(0.78)	(0.40)	95
Netback [(1)]	42.72	30.50	40	53.36	27.07	97
Realized loss on commodity contracts	-	(5.79)	(100)	-	(7.46)	(100)
Interest and other	(0.69)	(1.65)	(58)	(0.91)	(1.97)	(53)
G&A	(2.16)	(2.10)	3	(2.35)	(2.09)	12
Adjusted funds flow [(1)]	39.87	20.96	90	50.10	15.55	222

(1) See non-GAAP and other financial measures
n/m Not meaningful or not calculable

THIRD QUARTER OVERVIEW

In the third quarter of 2022, global oil prices continued to be strong with West Texas Intermediate ("WTI") benchmark oil price averaging over US$91/bbl. Cardinal remained unhedged on all commodities during the third quarter and was able to take advantage of the high prices. Cardinal's successful drilling program led to production of 21,715 boe/d which is approximately 4% over our internal budget forecast. Net operating expenses increased quarter over quarter with higher power costs and inflationary pressures impacting the industry.

Adjusted funds flow came in at $79.6 million or $0.50/diluted share and when combined with our disciplined capital expenditure program of $24 million, our third quarter free cash flow was $56.3 million. During the third quarter, our free cash flow was used for dividends of $24 million ($0.15 per common share), incremental shareholder returns with the purchase and cancellation of 3.4 million common shares through our NCIB and additional asset retirement obligations ("ARO") expenditures enhancing our long-term sustainability with our focus on ESG related activities.

Cardinal achieved our phase one net debt target of $100 million in May and is forecasting our next phase target of $50 million will be reached in the fourth quarter. With this target in sight, we have accelerated our shareholder returns by implementing an NCIB late in the second quarter and increased the dividend by 20% to $0.06 per common share starting in October. Since the implementation of the NCIB, the Company has purchased 3.7 million common shares for cancellation at an average cost of $7.05 per share.

The Company's low decline crude oil focus has increased our third quarter 2022 netback per boe to $42.72/boe, up 40% over the same period in 2021, while the adjusted funds flow per boe continues to be strong at $39.87/boe, up 90% over the same period in 2021. Third quarter net operating expenses per boe were 14% higher than the third quarter of 2021 as power costs have continued to escalate throughout the year. Cardinal continues to advance a number of initiatives to mitigate increases and volatility in electricity costs which include long-term price contracts and power generation projects in certain areas.

OPERATIONS

In the third quarter, continued strong operational results confirm the quality of the Company's existing asset base and development drilling inventory. Production of 21,715 boe/d was supported by our 10% annual base decline which is the lowest corporate base decline rate in our peer group. Along with the successful waterflood and miscible CO_2 flood management, Cardinal's ongoing optimization of wells and infrastructure within our legacy assets are the foundation of this low base decline. As in the first half, base decline continued to be lower than we anticipated and was complemented with better than forecasted production from our 2021-2022 drill program.

Third quarter development capital expenditures were slightly under budget at $23.3 million which included the following:

- $7.0 million on four (3.5 net) drills which included the drilling of one (1.0 net) eight-legged Rex drill, and one (1.0 net) Sparky drill, both in our central Alberta/Wainwright area, one (0.77 net) well at Midale, which was a water/CO_2 new injector, and one (0.75 net) non-operated multi-legged Clearwater well;

- $12.0 million on facilities and infrastructure development, including our Tide Lake infrastructure project in southern Alberta, and our CO_2 purchases at Midale;

- $2 million was spent on well reactivations and optimization; and

- With turnaround season starting in September, we spent $1 million on these scheduled facility maintenance activities in the quarter.

Our \$7.3 million of ARO spending during the third quarter brought the total spent in the first nine months of 2022 to \$14.9 million which is approximately 180% above our required annual spend.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Cardinal's strong corporate emissions performance has continued into the second half of 2022 with ongoing CO_2 sequestration in Saskatchewan and further implementation of projects aimed at reducing emissions from our operations across Alberta. Through our world class Carbon Capture and Sequestration ("CCS") enhanced oil recovery ("EOR") operation at Midale, the Company sequestered approximately 234,000 tonnes of CO_2 equivalent during the first nine months of 2022. This amount of carbon sequestration far exceeds our scope 1 emissions. To date, the Midale CCS EOR project has sequestered over five million tonnes of CO_2 and has reduced oil production decline rates from this project to approximately 3%.

Cardinal's safety record continues to be in the top tier of the industry, as is our regulatory compliance level.

Since 2020, Cardinal has continued to actively participate in various government programs focused on site closure, including abandonments, decommissioning and reclamation. To date, Cardinal has spent approximately 95% of the nearly \$30 million in allocated funding. In addition, Cardinal's 2022 ARO budget was increased to \$19 million, almost four times our required annual regulatory spend requirements, demonstrating Cardinal's commitment to reducing our environmental footprint.

2023 BUDGET

Highlights

- Generate adjusted funds flow of \$270 million at a US\$80/bbl WTI price;
- Maintain net debt level below \$50 million;
- Dividend level maintained at \$0.06 per share with potential for further shareholder returns through the NCIB or dividend increases;
- Executing a \$97 million capital program which includes drilling and completion of 19 (17.6 net) wells which is expected to increase production 3% over our 2021 average production rate;
- Investment of \$23 million for ARO which is approximately 250% of our required spend continuing with our ESG focused activity;
- Average annual production at approximately 22,000 boe/d.

Cardinal's 2023 capital budget takes advantage of our low corporate decline rate and focuses on optimizing our long life asset base. Drilling activity will be focused on continuing to develop and expand our Clearwater assets in northern Alberta, following up our successful Rex eight-leg multilateral at Wainwright, optimizing use of our new infrastructure at Tide Lake and pushing forward CO_2 EOR development at Midale.

Budget Summary

Average production (boe/d)	22,000
Adjusted funds flow ($ mm)	270
Capital expenditures ($ mm)	97
ARO expenditures ($ mm)	23
Net operating expenses ($/boe)	24.00
Transportation costs ($/boe)	1.00
G&A ($/boe)	2.50
US$ WTI ($/bbl)	80.00
US/CAD Exchange Rate	0.78
US$ WTI-WCS Basis Differential ($/bbl)	(18.00)
US$ WTI-MSW Basis Differential ($/bbl)	(3.50)
AECO ($/mcf)	3.50

OUTLOOK

Cardinal has had an exceptional first nine months of 2022. We were able to achieve the targets set out in our Three Phase Plan; reducing debt in two phases and re-instating and then increasing our dividend. These milestones were achieved in a much quicker fashion than originally planned with the benefit of higher than budgeted oil prices.

For 2023, we will continue with a prudent financial plan that will allow the Company to show a 3% year over year average production growth on a $97 million capital budget. Our budget is based on an oil price of US$80 WTI and our sensitivity to a US$1 change in WTI is approximately $7 million in adjusted funds flow.

The breakdown of our 2023 capital and ARO budget is as follows:

	($ mm)
Drill, complete, equip and tie-in	43
Well reactivations, production optimization and EOR	23
Proactive maintenance	25
Corporate and other	6
Total capital	97
ARO	23
Total capital and ARO	120

After our capital and ARO spending budget, we have budgeted $115 million for our current $0.06 per month dividend for total spending of $235 million.

With current forecasts of oil prices to exceed US$80 WTI in 2023, we currently expect to have significant free cash flows in excess of our base budget and dividend outlay plans.

The excess free cash flow will first be applied to reducing our net debt to zero. With current higher interest rates the cost to borrow is close to the dividend yield. After our debt is fully repaid, funds previously used for interest can be repurposed.

Our second priority after our debt is eliminated will be to increase returns to shareholders in 2023 via dividends and purchases under our NCIB. With the recent federal government announcement of a tax on share buybacks in 2024 we expect companies will be motivated to increase buyback activities in 2023.

Cardinal continues to evaluate opportunities to grow our Company through deals that can be funded with existing cash flows.

2022 has been a great year for Cardinal as shareholders have been rewarded for their investment with a much stronger company heading into 2023. Our budget for 2023 allows management to proactively improve the quality, safety and continuity of our asset base. We will continue to outspend our requirements on environmental, abandonment and reclamation efforts in 2023 as we work to reduce our overall environmental footprint.

We believe the 2023 budget also leaves significant room for shareholders to be rewarded in a higher oil price environment.

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, plans to continue with our debt reduction strategy, our 2022 and 2023 capital program and spending plans, our drilling and completion plans, expectations with respect to ongoing new wells and our drilling inventory, the quality of our asset base and decline rates, our abandonment and reclamation program, our future ESG performance, plans to upgrade our drilling inventory, dividend plans, NCIB plans and strategies, plans to operate our assets in a responsible and environmentally sensitive manner, our plans to reduce risk and return capital to shareholders (including through dividends and share buybacks), strategies with respect to Cardinal's share based compensation programs, and our future forecasted and targeted debt levels.

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, effects of inflation, 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 our 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, 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 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 news release includes references to 2022 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)
Q3/22	54%	30%	4%	12%	21,715
Q3/21	54%	30%	4%	12%	19,473
3Q/22	53%	31%	4%	11%	21,534
3Q/21	55%	27%	5%	13%	18,606

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 and Other Financial Measures

This news release contains certain specified measures consisting of non-GAAP financial measures, capital management measures, non-GAAP financial ratios, and supplementary financial measures. Since these specified financial measures may not have a standardized meaning, they must be clearly defined and, where required, reconciled with their nearest GAAP measure and may not be comparable with the calculation of similar financial measures disclosed by other entities.

Non-GAAP Measures

Net operating expenses

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 to process third party volumes.

	Three months ended		**Nine months ended**	
	Sept 30, 2022	Sept 30, 2021	**Sept 30, 2022**	Sept 30, 2021
Operating expenses	**54,559**	43,057	**147,896**	115,597
Less: Processing and other revenue	**(1,111)**	(908)	**(3,300)**	(2,844)
Net operating expenses	**53,448**	42,149	**144,596**	112,753

Netback

Cardinal utilizes netback, as key performance indicator and is utilized by Cardinal to better analyze the operating performance of its petroleum and natural gas assets against prior periods. Netback is calculated as petroleum and natural gas revenue deducting royalties, net operating expenses, and transportation expenses. The following table reconciles petroleum and natural gas revenue to netback:

	Three months ended		**Nine months ended**	
	Sept 30, 2022	Sept 30, 2021	**Sept 30, 2022**	Sept 30, 2021
Petroleum and natural gas revenue	**89.82**	66.99	**99.12**	59.98
Royalties	**(19.52)**	(12.38)	**(20.38)**	(10.31)
Net operating expenses	**(26.75)**	(23.53)	**(24.60)**	(22.20)
Transportation expenses	**(0.83)**	(0.58)	**(0.78)**	(0.40)
Netback	**42.72**	30.50	**53.36**	27.07

Capital expenditures and development capital expenditures

Cardinal utilizes capital expenditures as a measure of capital investment on property, plant and equipment compared to the annual budgeted capital expenditure. Capital expenditures is calculated as cash flow from investing activities excluding change in non-cash working capital and corporate acquisition.

Cardinal utilizes development capital expenditures as a measure of capital investment on property, plant and equipment excluding capitalized G&A, other assets and property acquisitions and is compared to the annual budgeted capital expenditures. The following table reconciles cash flow from investing activities to total capital expenditures to total development capital expenditures.

	Three months ended		**Nine months ended**	
	Sept 30, 2022	Sept 30, 2021	**Sept 30, 2022**	Sept 30, 2021
Cash flow from investing activities	**23,315**	26,492	**85,995**	43,032
Change in non-cash working capital	**675**	6,846	**(671)**	10,146
Corporate acquisition	**-**	(15,811)	**-**	(15,811)
Capital expenditures	**23,990**	17,527	**85,324**	37,367
Less:				
Capitalized G&A	**(335)**	(270)	**(1,454)**	(772)
Other assets	**(209)**	(31)	**(459)**	(100)
Property acquisitions	**(145)**	(694)	**(145)**	(4,028)
Development capital expenditures	**23,301**	16,532	**83,266**	32,467

Adjusted working capital

Management utilizes adjusted working capital to monitor its capital structure, liquidity, and its ability to fund current operations. Adjusted working capital is calculated as current liabilities less current assets (adjusted for assets held for sale, the fair value of financial instruments, liabilities associated with assets held for sale, current decommissioning obligation, and current lease liabilities). The following table reconciles working capital to adjusted working capital:

As at	**Sept 30, 2022**	Sept 30, 2021
Working capital deficiency	**25,657**	30,086
Lease liabilities	**1,489**	1,371
Decommissioning obligation	**6,430**	5,480
Liabilities associated with assets held for sale	**8,011**	-
Fair value of financial instruments, net	**(1,737)**	-
Assets held for sale	**(8,436)**	-
Adjusted working capital deficiency	**19,900**	23,235

Net debt

Management utilizes net debt to analyze the financial position, liquidity and leverage of Cardinal. Net debt is calculated as bank debt plus secured notes and adjusted working capital.

Net bank debt

Management utilizes net bank debt to analyze the financial position, liquidity, leverage and borrowing capacity on Cardinal's bank line. Net bank debt is calculated as net debt less the secured notes.

The following table reconciles bank debt to net bank debt and net debt:

As at	**Sept 30, 2022**	Sept 30, 2021
Bank debt	**42,167**	170,229
Adjusted working capital deficiency	**19,900**	17,238
Net bank debt	**62,067**	187,467
Secured notes	**-**	30,270
Net debt	**62,067**	217,737

Funds flow

Management utilizes funds flow as a useful measure of Cardinal's ability to generate cash not subject to short-term movements in non-cash operating working capital. As shown below, funds flow is calculated as cash flow from operating activities excluding the change in non-cash working capital.

Adjusted funds flow

Management utilizes adjusted funds flow as a key measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures and shareholder returns. As shown below, adjusted funds flow is calculated as funds flow excluding transaction costs, decommissioning expenditures since Cardinal believes the timing of payment or incurrence of these items involves a high degree of discretion and variability. Expenditures on decommissioning obligations vary from period to period depending on the maturity of the Company's operating areas and availability of adjusted funds flow and are viewed as part of the Company's capital budgeting process.

Free cash flow

Management utilizes free cash flow as a measure to assess Cardinal's ability to generate cash, after taking into account the development capital expenditures, to increase returns to shareholders, repay debt, or for other corporate purposes. As shown below, free cash flow is calculated as adjusted funds flow less development capital expenditures.

The following table reconciles cash flow from operating activities, funds flow, adjusted funds flow, and free cash flow:

	Three months ended		**Nine months ended**	
	Sept 30, 2022	Sept 30, 2021	**Sept 30, 2022**	Sept 30, 2021
Cash flow from operating activities	**98,325**	37,410	**268,578**	73,148
Change in non-cash working capital	**(25,982)**	(1,800)	**11,069**	1,203
Funds flow	**72,343**	35,610	**279,647**	74,351
Decommissioning expenditures	**7,304**	1,334	**14,888**	4,042
Adjusted funds flow	**79,647**	37,563	**294,535**	79,012
Total development capital expenditures	**(23,301)**	(16,532)	**(83,266)**	(32,467)
Free cash flow	**56,346**	21,031	**211,269**	46,545

Non-GAAP Financial Ratios

Netback per boe

Cardinal utilizes operating netback per boe to assess the Company's operating performance of its petroleum and natural gas assets on a per unit of production basis. Netback per boe is calculated as netback divided by total production for the applicable period. The following table details the calculation of netback per boe:

	Three months ended		**Nine months ended**	
	Sept 30, 2022	Sept 30, 2021	**Sept 30, 2022**	Sept 30, 2021
Petroleum and natural gas revenue	**89.82**	66.99	**99.12**	59.98
Royalties	**(19.52)**	(12.38)	**(20.38)**	(10.31)
Net operating expenses	**(26.75)**	(23.53)	**(24.60)**	(22.20)
Transportation expenses	**(0.83)**	(0.58)	**(0.78)**	(0.40)
Netback per boe	**42.72**	30.50	**53.36**	27.07

Net debt to adjusted funds flow ratio

Cardinal utilizes net debt to adjusted funds flow 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 shareholder returns. Net debt to adjusted funds flow is calculated as net debt divided by annualized adjusted funds flow for the applicable period.

Total payout ratio

Cardinal utilizes this ratio as key measure to assess the Company's ability to fund financing activities, operating activities, and capital expenditures. Total payout ratio is calculated as the sum of dividends declared plus development capital expenditures divided by adjusted funds flow.

Net operating expenses per boe

Cardinal utilizes net operating expenses per boe to assess Cardinal's operating efficiency of its petroleum and natural gas assets on a per unit of production basis. Net operating expense per boe is calculated as net operating expenses divided by total production for the applicable period.

Adjusted funds flow per boe

Cardinal utilizes adjusted funds flow per boe as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures and shareholder returns on a per boe basis. Adjusted funds flow per boe is calculated using adjusted funds flow divided by total production for the applicable period.

Adjusted funds flow per basic share

Cardinal utilizes adjusted funds flow per share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures and shareholder returns on a per basic share basis. Adjusted funds flow per basic share is calculated using adjusted funds flow divided by the weighted average basic shares outstanding.

Adjusted funds flow per diluted share

Cardinal utilizes adjusted funds flow per share as a measure to assess the ability of the Company to generate the funds necessary for financing activities, operating activities, capital expenditures and shareholder returns on a per diluted share basis. Adjusted funds flow per diluted share is calculated using adjusted funds flow divided by the weighted average diluted shares outstanding.

Supplementary Financial Measures

NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio. The supplementary financial measures used in this news release are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

About Cardinal Energy Ltd.

Cardinal works to continually improve its Environmental, Social and Governance profile and operates its 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 and natural gas company with operations focused on low decline oil in Western Canada.

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