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July 13, 2016

**BIRCHCLIFF ENERGY LTD. ANNOUNCES CLOSING OF FINANCINGS FOR
GROSS PROCEEDS OF \$690.8 MILLION**

Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff” or the “Corporation”) (TSX: BIR) is pleased to announce that it has closed its previously announced bought-deal financing (the “Offering”) through a syndicate of underwriters co-led by National Bank Financial Inc., Cormark Securities Inc., GMP Securities L.P. and Scotia Capital Inc. (the “Co-Lead Underwriters”) and including CIBC World Markets Inc., HSBC Securities (Canada) Inc., TD Securities Inc., Raymond James Ltd., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Macquarie Capital Markets Canada Ltd., AltaCorp Capital Inc., Haywood Securities Inc., Integral Wealth Securities Limited and Peters & Co. Limited (collectively with the Co-Lead Underwriters, the “Underwriters”). The Corporation issued 107,520,000 subscription receipts (“Subscription Receipts”) (including 6,000,000 Subscription Receipts issued upon the exercise in full of the over-allotment option granted to the Underwriters (the “Over-allotment Option”)) at a price of \$6.25 per Subscription Receipt for gross proceeds of \$672.0 million.

Birchcliff is also pleased to announce the completion of its previously announced non-brokered private placement of 3,000,000 Subscription Receipts to The Schulich Foundation, an entity controlled by Mr. Seymour Schulich, at a price of \$6.25 per Subscription Receipt (the “Concurrent Private Placement”) for gross proceeds of \$18.75 million, which proceeds together with the gross proceeds from the Offering, has raised aggregate gross proceeds of approximately \$690.8 million for the Corporation.

Each Subscription Receipt entitles the holder to receive, without payment of additional consideration or further action on the part of the holder, one common share of the Corporation (an “Underlying Share”) upon closing of the previously announced acquisition (the “Acquisition”) by the Corporation of certain petroleum and natural gas properties, interests and related assets primarily located in the Gordondale area of Alberta (the “Assets”) pursuant to an asset sale agreement dated June 21, 2016 between the Corporation, Encana Corporation and a wholly-owned subsidiary of Encana Corporation (the “Acquisition Agreement”). The Subscription Receipts will be converted into Underlying Shares effective as of the closing date of the Acquisition.

The purchase price for the Assets is \$625 million, subject to closing adjustments and rights of first refusal that may be exercised (the “Purchase Price”). The Acquisition is expected to close on or about July 28, 2016 and is subject to customary closing conditions as set forth in the Acquisition Agreement, including the receipt of an advanced ruling certificate (an “ARC”) or no action letter under the *Competition Act* (Canada). On July 8, 2016, the Corporation received an ARC and this condition has now been satisfied.

The gross proceeds from the sale of the Subscription Receipts (the “Escrowed Funds”) have been deposited in escrow pending delivery by the Corporation to the Co-Lead Underwriters of a certificate to the effect that all material conditions (other than the payment of the Purchase Price) necessary to complete the Acquisition have been satisfied or waived (the “Escrow Condition”). Upon satisfaction of the Escrow Condition, the Escrowed Funds and the interest earned thereon, less the remaining portion of the fees payable to the Underwriters, will be released to the Corporation to complete the Acquisition.

The portion of the Escrowed Funds released to the Corporation will be used to pay the balance of the Purchase Price and the balance of the Escrowed Funds will be used by the Corporation to initially reduce indebtedness under its credit facilities, which may be subsequently redrawn and applied as needed for general corporate and working capital purposes.

If: (a) the Escrow Condition is not satisfied by 5:00 p.m. (Calgary time) on September 30, 2016, or such later date within 15 days of September 30, 2016 as the Co-Lead Underwriters may elect; (b) the Acquisition Agreement is terminated; or (c) the Corporation has advised the Underwriters or announced to the public that it does not intend to proceed with the Acquisition, holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts plus their *pro rata* entitlement to the interest earned on such amount.

It is anticipated that the Subscription Receipts issued pursuant to the Offering and the exercise of the Over-allotment Option will be listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “BIR.R” at the open of markets today.

This press release is not an offer of the Subscription Receipts or Underlying Shares for sale in the United States. The Subscription Receipts and Underlying Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws. Subscription Receipts and Underlying Shares may not be offered or sold in the United States absent registration or an exemption from registration. The Subscription Receipts and Underlying Shares will not be publicly offered in the United States.

ADVISORIES

Forward-Looking Information

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 Corporation’s plans and other aspects of the Corporation’s anticipated future operations, management focus, strategies, plans, financial, operating and production results and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: the use of proceeds of the Offering and the Concurrent Private Placement; completion of the Acquisition and the timing thereof; the Purchase Price and the funding thereof; conversion of the Subscription Receipts into Underlying Shares and the timing thereof; and the listing of the Subscription Receipts on the TSX. Forward-looking information typically uses words such as “anticipate”, “believe”, “project”, “expect”, “goal”, “plan”, “intend” or similar words suggesting future outcomes, statements that actions, events or conditions “may”, “would”, “could” or “will” be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning the satisfaction of all conditions to the closing the Acquisition and on the time frames currently contemplated.

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions, expectations or assumptions upon which they are based will occur. Although Birchcliff believes that the expectations and assumptions reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated.

Forward-looking information necessarily involves both known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated, including, but not limited to the

failure to complete the Acquisition in all material respects in accordance with the Acquisition Agreement. The Acquisition may not be completed on the anticipated timeframes or at all.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the Corporation's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes. These forward-looking statements are made as of the date of this press release and the Corporation disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

About Birchcliff:

Birchcliff is a Calgary, Alberta based intermediate oil and gas Corporation with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff's Common Shares and Cumulative Redeemable Preferred Shares, Series A and Series C are listed for trading on the Toronto Stock Exchange under the symbols "BIR", "BIR.PR.A" and "BIR.PR.C", respectively.

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