BIRCHCLIFF
ENERGY

**BIRCHCLIFF ENERGY LTD. ANNOUNCES Q3 2024 RESULTS,
DECLARATION OF Q4 2024 DIVIDEND OF $0.10 PER COMMON SHARE AND PRELIMINARY 2025 GUIDANCE**

Calgary, Alberta (November 14, 2024) – Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") (TSX: BIR) is pleased to announce its Q3 2024 financial and operational results and its preliminary guidance for 2025. Birchcliff is also pleased to announce that its board of directors (the "**Board**") has declared a quarterly cash dividend of $0.10 per common share for the quarter ending December 31, 2024.

"Birchcliff's third quarter results highlight the continuing success of our operational execution and performance in 2024. Due to the strong performance of the wells brought on production this year, we were able to achieve solid quarterly average production of 75,403 boe/d in Q3 2024. Our strategic decision earlier in the year to defer the drilling of 11 wells and bring them on production in Q4 puts us in a strong position to benefit from the anticipated strengthening of natural gas prices for the remainder of 2024 and in 2025," stated Chris Carlsen, President and Chief Executive Officer of Birchcliff.

"Our strategy for 2025 builds off of the operational momentum we have built in 2024, maintaining our strong focus on capital efficiency improvements and driving down costs. Birchcliff's 2025 F&D capital expenditures will be strategically deployed throughout the year, with a program designed to remain flexible in response to commodity price volatility. Based on our preliminary budgeting process and current commodity price outlook, we are targeting annual F&D capital expenditures of $260 million to $300 million and annual average production of 76,000 to 79,000 boe/d in 2025. We remain focused on prioritizing our strong balance sheet and financial position, while balancing the continued profitable development of our world-class Montney asset base and shareholder returns. We are continuing to evolve our plans for 2025 and expect to announce the details of our formal 2025 capital budget on January 22, 2025."

Q3 2024 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Achieved average production of 75,403 boe/d (83% natural gas, 9% NGLs, 5% condensate and 3% light oil).
- Generated adjusted funds flow[(1)] of $45.2 million, or $0.17 per basic common share[(2)], and cash flow from operating activities of $65.9 million.
- Reported a net loss to common shareholders of $10.5 million, or $0.04 per basic common share.
- Birchcliff's market diversification initiatives contributed to an average realized natural gas sales price of $1.50/Mcf[(3)], which represented an 87% premium to the average benchmark AECO 7A Monthly Index price in Q3 2024.
- Drilled 12 (12.0 net) wells, with F&D capital expenditures of $63.6 million.
- Total debt[(4)] at September 30, 2024 was $513.6 million.
- Birchcliff entered into a long-term contract operating agreement (the "**COA**") with AltaGas Ltd. ("**AltaGas**"), which became effective July 1, 2024. Pursuant to the COA, Birchcliff assumed operatorship of AltaGas' Gordondale deep-cut gas processing facility (the "**Gordondale Facility**"). This arrangement will allow Birchcliff to leverage cost optimization opportunities, which are expected to drive lower operating costs, reduce downtime and optimize NGLs recoveries for Birchcliff.

(1) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(4) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

Birchcliff's unaudited interim condensed financial statements for the three and nine months ended September 30, 2024 and related management's discussion and analysis will be available on its website at www.birchcliffenergy.com and on SEDAR+ at www.sedarplus.ca.

DECLARATION OF Q4 2024 QUARTERLY DIVIDEND

- The Board has declared a quarterly cash dividend of $0.10 per common share for the quarter ending December 31, 2024.
- The dividend will be payable on December 31, 2024 to shareholders of record at the close of business on December 13, 2024. The dividend has been designated as an eligible dividend for the purposes of the *Income Tax Act* (Canada).

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. For further information regarding the forward-looking statements and forward-looking information contained herein, see "Advisories – Forward-Looking Statements". With respect to the disclosure of Birchcliff's production contained in this press release, see "Advisories – Production". In addition, this press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" as such terms are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("**NI 52-112**"). Non-GAAP financial measures and non-GAAP ratios are not standardized financial measures under GAAP and might not be comparable to similar financial measures disclosed by other issuers. For further information regarding the non-GAAP and other financial measures used in this press release, see "Non-GAAP and Other Financial Measures".*

Q3 2024 UNAUDITED FINANCIAL AND OPERATIONAL SUMMARY

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
OPERATING				
Average production				
Light oil *(bbls/d)*	2,129	1,728	2,025	1,916
Condensate *(bbls/d)*	4,161	4,850	4,464	5,221
NGLs *(bbls/d)*	6,541	7,412	6,856	5,852
Natural gas *(Mcf/d)*	375,428	360,924	378,237	374,544
Total *(boe/d)*	**75,403**	**74,143**	**76,384**	**75,413**
Average realized sales prices *(CDN$)*(1)				
Light oil *(per bbl)*	98.47	100.46	100.14	98.77
Condensate *(per bbl)*	95.66	107.67	100.92	103.75
NGLs *(per bbl)*	25.02	26.35	26.44	26.91
Natural gas *(per Mcf)*	1.50	2.86	1.97	3.07
Total *(per boe)*	**17.71**	**25.96**	**20.69**	**27.05**
NETBACK AND COST *($/boe)*				
Petroleum and natural gas revenue(1)	17.71	25.97	20.69	27.06
Royalty expense	(1.34)	(2.04)	(1.46)	(2.47)
Operating expense(2)	(2.78)	(3.93)	(3.35)	(3.84)
Transportation and other expense(3)	(5.24)	(6.37)	(5.23)	(5.74)
Operating netback(3)	**8.35**	**13.63**	**10.65**	**15.01**
G&A expense, net	(1.25)	(1.36)	(1.26)	(1.43)
Interest expense	(1.43)	(0.86)	(1.28)	(0.66)
Lease interest expense(2)	(0.32)	-	(0.11)	-
Realized gain (loss) on financial instruments	1.17	(0.83)	(0.13)	(1.69)
Other cash income (expense)	-	0.01	0.01	(0.03)
Adjusted funds flow(3)	**6.52**	**10.59**	**7.88**	**11.20**
Depletion and depreciation expense	(9.11)	(8.08)	(8.73)	(8.11)
Unrealized gain (loss) on financial instruments	1.14	1.20	2.68	(1.31)
Other expenses(4)	(0.41)	(0.69)	(0.44)	(0.64)
Deferred income tax recovery (expense)	0.35	(0.81)	(0.39)	(0.40)
Net income (loss) to common shareholders	**(1.51)**	**2.21**	**1.00**	**0.74**
FINANCIAL				
Petroleum and natural gas revenue *($000s)*(1)	122,835	177,126	433,115	557,064
Cash flow from operating activities *($000s)*	65,943	67,840	158,069	241,523
Adjusted funds flow *($000s)*(5)	45,211	72,225	164,956	230,612
Per basic common share *($)*(3)	0.17	0.27	0.61	0.87
Free funds flow *($000s)*(5)	(18,409)	5,548	(49,818)	(15,859)
Per basic common share *($)*(3)	(0.07)	0.02	(0.19)	(0.06)
Net income (loss) to common shareholders *($000s)*	(10,461)	15,108	20,884	15,313
Per basic common share *($)*	(0.04)	0.06	0.08	0.06
End of period basic common shares *(000s)*	269,569	266,640	269,569	266,640
Weighted average basic common shares *(000s)*	269,342	266,390	268,711	266,397
Dividends on common shares *($000s)*	26,943	53,321	80,707	159,954
F&D capital expenditures *($000s)*(6)	63,620	66,677	214,774	246,471
Total capital expenditures *($000s)*(5)	63,886	67,475	216,072	248,375
Revolving term credit facilities *($000s)*	489,413	318,711	489,413	318,711
Total debt *($000s)*(7)	513,553	327,655	513,553	327,655

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Includes the financial effects of the Gas Processing Lease (as defined herein) recorded in Q3 2024. For further details, see "*Q3 2024 Financial and Operational Results – Adjusted Funds Flow and Cash Flow From Operating Activities*".

(3) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(4) Includes non-cash items such as compensation, accretion, amortization of deferred financing fees and other gains and losses.

(5) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(6) See *"Advisories – F&D Capital Expenditures"*.

(7) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

OUTLOOK AND GUIDANCE

Updated 2024 Guidance

Birchcliff is updating its 2024 guidance to reflect its current commodity price forecast and other assumptions for 2024 and its financial and operational results year-to-date.

- Birchcliff is maintaining its annual average production guidance of 75,000 to 77,000 boe/d and its F&D capital expenditures guidance of $250 million to $270 million.
- Birchcliff is lowering its guidance for royalty expense per boe to reflect a lower commodity price forecast in 2024.
- The Corporation is lowering its guidance for operating expense by $0.50/boe, of which approximately $0.30/boe is attributable to the reclassification of certain amounts under IFRS Accounting Standards as a result of the Corporation entering into the COA (see *"Q3 2024 Financial and Operational Results – Adjusted Funds Flow and Cash Flow From Operating Activities"*) and approximately $0.20/boe is attributable to Birchcliff anticipating lower power and fuel prices, lower well servicing costs and cost optimization opportunities resulting from Birchcliff assuming operatorship of the Gordondale Facility.
- The Corporation is lowering its guidance for adjusted funds flow, primarily to reflect a lower commodity price forecast in 2024. This lower anticipated adjusted funds flow is expected to result in lower free funds flow and higher total debt at year-end 2024 than previously forecast.

The following tables set forth Birchcliff's updated and previous guidance and commodity price assumptions for 2024, as well as its free funds flow sensitivity:

	Updated 2024 guidance and assumptions – November 14, 2024[1]	Previous 2024 guidance and assumptions – August 14, 2024
Production		
Annual average production *(boe/d)*	75,000 – 77,000	75,000 – 77,000
% Light oil	3%	3%
% Condensate	6%	6%
% NGLs	10%	10%
% Natural gas	81%	81%
Average Expenses *($/boe)*		
Royalty	1.55 – 1.75	1.80 – 2.00
Operating	3.20 – 3.40	3.70 – 3.90
Transportation and other[2]	5.30 – 5.50	5.30 – 5.50
Adjusted Funds Flow *(millions)*[3]	$230	$250
F&D Capital Expenditures *(millions)*	$250 – $270	$250 – $270
Free Funds Flow *(millions)*[3]	($20) – ($40)	$0 – ($20)
Annual Base Dividend *(millions)*	$108[4]	$108
Total Debt at Year End *(millions)*[5]	$515 – $535	$495 – $515
Natural Gas Market Exposure		
AECO exposure as a % of total natural gas production	17%[6]	17%
Dawn exposure as a % of total natural gas production	44%[6]	44%
NYMEX HH exposure as a % of total natural gas production	37%[6]	37%
Alliance exposure as a % of total natural gas production	2%[6]	2%

	Updated 2024 guidance and assumptions – November 14, 2024[1]	Previous 2024 guidance and assumptions – August 14, 2024
Commodity Prices		
Average WTI price *(US$/bbl)*	75.65[7]	79.05
Average WTI-MSW differential *(CDN$/bbl)*	6.00[7]	6.95
Average AECO price *(CDN$/GJ)*	1.45[7]	1.75
Average Dawn price *(US$/MMBtu)*	2.00[7]	2.05
Average NYMEX HH price *(US$/MMBtu)*	2.25[7]	2.35
Exchange rate *(CDN$ to US$1)*	1.36[7]	1.37

Forward two months' free funds flow sensitivity[7][8]	Estimated change to 2024 free funds flow *(millions)*
Change in WTI US$1.00/bbl	$0.6
Change in NYMEX HH US$0.10/MMBtu	$0.6
Change in Dawn US$0.10/MMBtu	$1.3
Change in AECO CDN$0.10/GJ	$0.6
Change in CDN/US exchange rate CDN$0.01	$0.7

(1) Birchcliff's guidance for its production commodity mix, adjusted funds flow, free funds flow, total debt and natural gas market exposure in 2024 is based on an annual average production rate of 76,000 boe/d in 2024, which is the mid-point of Birchcliff's annual average production guidance range for 2024. For further information regarding the risks and assumptions relating to the Corporation's guidance, see *"Advisories – Forward-Looking Statements"*.

(2) Non-GAAP ratio. See *"Non-GAAP and Other Financial Measures"*.

(3) Non-GAAP financial measure. See *"Non-GAAP and Other Financial Measures"*.

(4) Assumes that no special dividends are paid. The declaration of future dividends is subject to the approval of the Board and is subject to change.

(5) Capital management measure. See *"Non-GAAP and Other Financial Measures"*.

(6) Birchcliff's natural gas market exposure for 2024 takes into account its outstanding financial basis swap contracts.

(7) Birchcliff's updated commodity price and exchange rate assumptions and free funds flow sensitivity for 2024 are based on anticipated full-year averages, which include settled benchmark commodity prices and the CDN/US exchange rate for the period from January 1, 2024 to October 31, 2024.

(8) Illustrates the expected impact of changes in commodity prices and the CDN/US exchange rate on the Corporation's updated forecast of free funds flow for 2024, holding all other variables constant. The sensitivity is based on the updated commodity price and exchange rate assumptions set forth in the table above. The calculated impact on free funds flow is only applicable within the limited range of change indicated. Calculations are performed independently and may not be indicative of actual results. Actual results may vary materially when multiple variables change at the same time and/or when the magnitude of the change increases.

Changes in assumed commodity prices and variances in production forecasts can have an impact on the Corporation's forecasts of adjusted funds flow and free funds flow and the Corporation's other guidance, which impact could be material. In addition, any acquisitions or dispositions completed over the course of 2024 could have an impact on Birchcliff's 2024 guidance and assumptions set forth herein, which impact could be material. For further information, see *"Advisories – Forward-Looking Statements".*

Preliminary 2025 Guidance

Based on its preliminary budgeting process for 2025 and current commodity price outlook, Birchcliff is targeting annual F&D capital expenditures of $260 million to $300 million and annual average production of 76,000 to 79,000 boe/d in 2025. The Corporation's 2025 F&D capital expenditures will be strategically deployed throughout the year, with a program designed to remain flexible in response to commodity price volatility. Birchcliff anticipates that the 2025 capital program will include approximately 25 to 30 wells being brought on production in the Pouce Coupe and Gordondale areas, as well as the completion of a large gas gathering infrastructure project and a planned facility turnaround in Pouce Coupe. Additionally, the 2025 capital program will include further investment in the Corporation's Elmworth area to protect, optimize and advance its long-term development strategy for this significant Montney asset.

The Corporation remains bullish on the long-term outlook for natural gas and anticipates structural improvement in natural gas prices going forward. Birchcliff expects prices to improve in 2025 as compared to 2024 due to the anticipated increase in demand from the start-up of various North American LNG projects and gas-fired power generation. In the current commodity price environment, Birchcliff remains focused on prioritizing its strong balance sheet and financial position, while balancing the continued profitable development of its world-class Montney asset base and shareholder returns. In alignment with its commitment to maintain a strong balance sheet, the Corporation is continuing to target a total debt to forward annual adjusted funds flow ratio of less than 1.0 times in the long-term.

Birchcliff continues to evolve its plans for 2025 and expects to announce the details of its formal 2025 capital budget and updated five-year outlook for 2025 to 2029 on January 22, 2025.

Q3 2024 FINANCIAL AND OPERATIONAL RESULTS

Production

- Birchcliff's production averaged 75,403 boe/d in Q3 2024, a 2% increase from Q3 2023. The increase was primarily due to the strong performance of the Corporation's capital program and the successful drilling of new Montney/Doig wells brought on production since Q3 2023, partially offset by natural production declines and high ambient temperatures during the summer that reduced throughput at Birchcliff's operated natural gas processing facilities in Pouce Coupe and Gordondale.
- Liquids accounted for 17% of Birchcliff's total production in Q3 2024 as compared to 19% in Q3 2023. The decrease was largely due to the Corporation continuing to target horizontal natural gas wells and natural production declines from light oil and liquids-rich natural gas wells producing since Q3 2023.

Adjusted Funds Flow and Cash Flow From Operating Activities

- Birchcliff's adjusted funds flow was $45.2 million in Q3 2024, or $0.17 per basic common share, both of which decreased by 37% from Q3 2023.
- Birchcliff's cash flow from operating activities was $65.9 million in Q3 2024, a 3% decrease from Q3 2023.
- The decreases were primarily due to lower natural gas revenue, which was largely impacted by a 48% decrease in the average realized sales price Birchcliff received for its natural gas production in Q3 2024 as compared to Q3 2023 and a higher interest expense as compared to Q3 2023. The decreases were partially offset by a realized gain on financial instruments in Q3 2024 as compared to a realized loss on financial instruments in Q3 2023 and decreases in royalty, operating and transportation and other expenses as compared to Q3 2023.
- As a result of Birchcliff assuming operatorship of the Gordondale Facility under the COA, the Corporation's take-or-pay commitment pursuant to the natural gas processing agreement between Birchcliff and AltaGas at the Gordondale Facility has been excluded from operating expense and classified as a lease (the "**Gas Processing Lease**") under IFRS 16 – *Leases* effective July 1, 2024. As a result, $4.3 million was excluded from operating expense in Q3 2024. Of that $4.3 million, approximately $2.2 million was recorded as lease interest expense in profit or loss and was included as a deduction to adjusted funds flow and cash flow from operating activities. The remaining $2.1 million reflects the lease financing payment, which reduces the lease obligation recorded on the balance sheet, and was excluded from adjusted funds flow and cash flow from operating activities.

Net Loss to Common Shareholders

- Birchcliff reported a net loss to common shareholders of $10.5 million in Q3 2024, or $0.04 per basic common share, as compared to net income to common shareholders of $15.1 million in Q3 2023, or $0.06 per basic common share. The change to a net loss position was primarily due to lower adjusted funds flow and higher depletion and depreciation expense, partially offset by a deferred income tax recovery in Q3 2024 as compared to a deferred income tax expense in Q3 2023.

Debt and Credit Facilities

- Total debt at September 30, 2024 was $513.6 million, a 57% increase from September 30, 2023.
- At September 30, 2024, Birchcliff had a balance outstanding under its extendible revolving credit facilities (the "**Credit Facilities**") of $493.7 million (September 30, 2023: $318.7 million) from available Credit Facilities of $850.0 million (September 30, 2023: $850.0 million), leaving the Corporation with $356.3 million (42%) of unutilized credit capacity after adjusting for outstanding letters of credit and unamortized deferred financing fees. This unutilized credit capacity provides Birchcliff with significant financial flexibility and available capital resources. The Credit Facilities have a maturity date of May 11, 2027 and do not contain any financial maintenance covenants.

Natural Gas Market Diversification

- Birchcliff's physical natural gas sales exposure primarily consists of the AECO, Dawn and Alliance markets. In addition, the Corporation has various financial instruments outstanding that provide it with exposure to NYMEX HH pricing.

The following table sets forth Birchcliff's effective sales, production and average realized sales price for natural gas and liquids for Q3 2024, after taking into account the Corporation's financial instruments:

Three months ended September 30, 2024						
	Effective sales(1) *(CDN$000s)*	Percentage of total sales *(%)*	Effective production *(per day)*	Percentage of total natural gas production *(%)*	Percentage of total corporate production *(%)*	Effective average realized sales price(1) *(CDN$)*
Market						
AECO(1)(2)	5,869	4	78,754 Mcf	21	17	0.81/Mcf
Dawn(3)	36,103	24	161,045 Mcf	43	36	2.44/Mcf
NYMEX HH(1)(4)	38,704	25	135,629 Mcf	36	30	3.10/Mcf
Total natural gas(1)	**80,676**	**53**	**375,428 Mcf**	**100**	**83**	**2.34/Mcf**
Light oil	19,289	13	2,129 bbls		3	98.47/bbl
Condensate	36,625	24	4,161 bbls		5	95.66/bbl
NGLs	15,055	10	6,541 bbls		9	25.02/bbl
Total liquids	**70,969**	**47**	**12,831 bbls**		**17**	**60.12/bbl**
Total corporate(1)	**151,645**	**100**	**75,403 boe**		**100**	**21.86/boe**

(1) Effective sales and effective average realized sales price on a total natural gas and total corporate basis and for the AECO and NYMEX HH markets are non-GAAP financial measures and non-GAAP ratios, respectively. See *"Non-GAAP and Other Financial Measures"*.

(2) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. All of Birchcliff's short-term physical Alliance sales and production during Q3 2024 received AECO premium pricing and have therefore been included as effective sales and production in the AECO market.

(3) Birchcliff has agreements for the firm service transportation of an aggregate of 175,000 GJ/d of natural gas on TransCanada PipeLines' Canadian Mainline, whereby natural gas is transported to the Dawn trading hub in Southern Ontario.

(4) NYMEX HH effective sales and production include financial NYMEX HH/AECO 7A basis swap contracts for an aggregate of 147,500 MMBtu/d at an average contract price of NYMEX HH less US$1.12/MMBtu during Q3 2024.

Birchcliff's effective average realized sales price for NYMEX HH of CDN$3.10/Mcf (US$2.09/MMBtu) was determined on a gross basis before giving effect to the average NYMEX HH/AECO 7A fixed contract basis differential price of CDN$1.66/Mcf (US$1.12/MMBtu) and includes any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q3 2024.

After giving effect to the NYMEX HH/AECO 7A fixed contract basis differential price and including any realized gains and losses on financial NYMEX HH/AECO 7A basis swap contracts during Q3 2024, Birchcliff's effective average realized net sales price for NYMEX HH was CDN$1.44/Mcf (US$0.97/MMBtu) in Q3 2024.

The following table sets forth Birchcliff's physical sales, production, average realized sales price, transportation costs and sales netback by natural gas market for the periods indicated, before taking into account the Corporation's financial instruments:

Three months ended September 30, 2024							
Natural gas market	Natural gas sales(1) *(CDN$000s)*	Percentage of natural gas sales *(%)*	Natural gas production *(Mcf/d)*	Percentage of natural gas production *(%)*	Average realized natural gas sales price(1) *(CDN$/Mcf)*	Natural gas transportation costs(2) *(CDN$/Mcf)*	Natural gas sales netback(3) *(CDN$/Mcf)*
AECO	14,835	28	202,070	54	0.81	0.40	0.41
Dawn	36,103	70	161,045	43	2.44	1.46	0.98
Alliance(4)	915	2	12,313	3	0.81	-	0.81
Total	**51,853**	**100**	**375,428**	**100**	**1.50**	**0.85**	**0.65**

Three months ended September 30, 2023							
Natural gas market	Natural gas sales(1) *(CDN$000s)*	Percentage of natural gas sales *(%)*	Natural gas production *(Mcf/d)*	Percentage of natural gas production *(%)*	Average realized natural gas sales price(1) *(CDN$/Mcf)*	Natural gas transportation costs(2) *(CDN$/Mcf)*	Natural gas sales netback(3) *(CDN$/Mcf)*
AECO	42,271	44	179,845	50	2.60	0.47	2.13
Dawn	48,234	51	164,023	45	3.20	1.50	1.70
Alliance(4)	4,604	5	17,056	5	2.93	-	2.93
Total	**95,109**	**100**	**360,924**	**100**	**2.86**	**0.92**	**1.96**

(1) Excludes the effects of financial instruments but includes the effects of any physical delivery contracts.

(2) Reflects costs to transport natural gas from the field receipt point to the delivery sales trading hub.

(3) Natural gas sales netback denotes the average realized natural gas sales price less natural gas transportation costs.

(4) Birchcliff has short-term physical sales agreements with third-party marketers to sell and deliver into the Alliance pipeline system. Alliance sales are recorded net of transportation tolls.

Capital Activities and Investment

- In Q3 2024, Birchcliff drilled 12 wells, with 10 wells drilled in Pouce Coupe and two wells drilled in Elmworth. Birchcliff's F&D capital expenditures in Q3 2024 were $63.6 million, which primarily included the drilling and completions of new wells in Pouce Coupe and Elmworth and gas gathering and infrastructure projects in Pouce Coupe and Gordondale.

OPERATIONAL UPDATE

Birchcliff's optimized field development strategies, which incorporate enhanced completion intensities and tighter cluster spacing, have delivered strong production rates from the wells in the 2024 capital program, surpassing the Corporation's internal projections. These robust production results, along with ongoing improvements in operational execution, are forecast to substantially enhance capital efficiencies in 2024 as compared to 2023.

Capital Program Overview

- As of the date of this press release, the Corporation has completed the drilling of 26 (26.0 net) wells and brought on production 27 (27.0 net) wells.
- In order to prepare for the efficient execution of its 2025 capital program, Birchcliff has commenced the drilling of a 5-well pad in Pouce Coupe (the 04-05 pad). These wells are planned to be drilled in the Lower Montney and brought on production in early Q1 2025. In addition, Birchcliff has allocated capital towards the drilling of various surface holes, pad-site construction and other activities to prepare for its 2025 capital program.

The following table sets forth the wells that are part of the Corporation's updated full-year 2024 drilling program, including the remaining wells to be drilled in 2024:

		Number of wells to be drilled in 2024[1]	Number of wells drilled as at November 14, 2024	Number of wells to be brought on production in 2024	Number of wells on production as at November 14, 2024[1]
Pouce Coupe					
04-30 (5-well pad)	Montney D1	0[2]	0[2]	5	5
16-17 (5-well pad)	BD/UM	1	1	1	1
	Montney D1	3	3	3	3
	Montney D4	1	1	1	1
16-15 (6-well pad)	Montney D1	6	6	6	6
10-22 (5-well pad)	Montney D1	5	5	5	5
04-05 (5-well pad)	Montney D1	5	2	0[3]	N/A
Gordondale					
02-27 (2-well pad)	Montney D1	1	1	1	1
	Montney D2	1	1	1	1
01-10 (4-well pad)	Montney D1	4	4	4	4
Elmworth					
13-09 vertical	Montney	1	1	0[4]	N/A
01-28 horizontal	Montney	1	1	0[4]	N/A
	TOTAL	**29**	**26**	**27**	**27**

(1) All wells are natural gas wells, except for the 4-well 01-10 pad, which are light oil wells.

(2) The five wells drilled on the 04-30 pad were drilled in December 2023.

(3) It is currently anticipated that these wells will be brought on production in Q1 2025.

(4) The Corporation does not intend to bring these wells on production in 2024.

Pouce Coupe

- Birchcliff completed the drilling of its 6-well 16-15 pad in Pouce Coupe in August 2024 targeting liquids-rich natural gas in the Lower Montney. The wells from this pad were turned over to production through Birchcliff's permanent facilities in October 2024. The wells are exhibiting strong production rates and Birchcliff is looking forward to providing further details regarding their results on January 22, 2025.
- Birchcliff completed the drilling of its 5-well 10-22 pad in Pouce Coupe in August 2024 targeting high-rate natural gas in the Lower Montney. The wells from this pad were cleaned up through testers in October 2024 and have recently been turned over to production through Birchcliff's permanent facilities. The wells are exhibiting encouraging early results and Birchcliff is looking forward to providing further details regarding their results on January 22, 2025.

Elmworth

- The Corporation completed the drilling of 1 (1.0 net) horizontal well and 1 (1.0 net) vertical well in Elmworth in September 2024. These wells will provide Birchcliff with the opportunity to continue a significant number of sections of Montney lands in Elmworth, as well as increase the Corporation's inventory and reservoir expertise in the area. The Corporation is currently considering completing and testing the horizontal well as part of its 2025 capital program.

ABBREVIATIONS

AECO	benchmark price for natural gas determined at the AECO 'C' hub in southeast Alberta
bbl	barrel
bbls	barrels
bbls/d	barrels per day
BD/UM	Basal Doig/Upper Montney
boe	barrel of oil equivalent
boe/d	barrel of oil equivalent per day
condensate	pentanes plus (C5+)
F&D	finding and development
G&A	general and administrative
GAAP	generally accepted accounting principles for Canadian public companies, which are currently IFRS
GJ	gigajoule
GJ/d	gigajoules per day
HH	Henry Hub
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
LNG	liquefied natural gas
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
MSW	price for mixed sweet crude oil at Edmonton, Alberta
NGLs	natural gas liquids consisting of ethane (C2), propane (C3) and butane (C4) and specifically excluding condensate
NYMEX	New York Mercantile Exchange
OPEC	Organization of the Petroleum Exporting Countries
Q	quarter
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
000s	thousands
$000s	thousands of dollars

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various "non-GAAP financial measures", "non-GAAP ratios" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below.

Non-GAAP Financial Measures

NI 52-112 defines a non-GAAP financial measure as a financial measure that: (i) depicts the historical or expected future financial performance, financial position or cash flow of an entity; (ii) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity; (iii) is not disclosed in the financial statements of the entity; and (iv) is not a ratio, fraction, percentage or similar representation. The non-GAAP financial measures used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP financial measures as indicators of Birchcliff's performance. Set forth below is a description of the non-GAAP financial measures used in this press release.

Adjusted Funds Flow and Free Funds Flow

Birchcliff defines "adjusted funds flow" as cash flow from operating activities before the effects of decommissioning expenditures, retirement benefit payments and changes in non-cash operating working capital. Birchcliff eliminates settlements of decommissioning expenditures from cash flow from operating activities as the amounts can be discretionary and may vary from period to period depending on its capital programs and the maturity of its operating areas. The settlement of decommissioning expenditures is managed with Birchcliff's capital budgeting process which considers available adjusted funds flow. Birchcliff eliminates retirement benefit payments from cash flow from operating activities as such payments reflect costs for past service and contributions made by eligible executives under the Corporation's post-employment benefit plan, which are not indicative of the current period. Changes in non-cash operating working capital are eliminated in the determination of adjusted funds flow as the timing of collection and payment are variable and by excluding them from the calculation, the Corporation believes that it is able to provide a more meaningful measure of its operations and ability to generate cash on a continuing basis. Management believes that adjusted funds flow assists management and investors in assessing Birchcliff's financial performance after deducting all operating and corporate cash costs, as well as its ability to generate the cash necessary to fund sustaining and/or growth capital expenditures, repay debt, settle decommissioning obligations, buy back common shares and pay dividends.

Birchcliff defines "free funds flow" as adjusted funds flow less F&D capital expenditures. Management believes that free funds flow assists management and investors in assessing Birchcliff's ability to generate shareholder returns through a number of initiatives, including but not limited to, debt repayment, common share buybacks, the payment of common share dividends, acquisitions and other opportunities that would complement or otherwise improve the Corporation's business and enhance long-term shareholder value.

The most directly comparable GAAP financial measure to adjusted funds flow and free funds flow is cash flow from operating activities. The following table provides a reconciliation of cash flow from operating activities to adjusted funds flow and free funds flow for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,		Twelve months ended December 31,
($000s)	**2024**	**2023**	**2024**	**2023**	**2023**
Cash flow from operating activities	**65,943**	**67,840**	**158,069**	**241,523**	**320,529**
Change in non-cash operating working capital	(21,424)	3,601	(8,009)	(13,229)	(19,477)
Decommissioning expenditures	692	784	1,045	2,318	3,775
Retirement benefit payments	-	-	13,851	-	2,000
Adjusted funds flow	**45,211**	**72,225**	**164,956**	**230,612**	**306,827**
F&D capital expenditures	(63,620)	(66,677)	(214,774)	(246,471)	(304,637)
Free funds flow	**(18,409)**	**5,548**	**(49,818)**	**(15,859)**	**2,190**

Birchcliff has disclosed in this press release forecasts of adjusted funds flow and free funds flow for 2024, which are forward-looking non-GAAP financial measures (see *"Outlook and Guidance – Updated 2024 Guidance"*). The equivalent historical non-GAAP financial measures are adjusted funds flow and free funds flow for the twelve months ended December 31, 2023. Birchcliff anticipates the forward-looking non-GAAP financial measures for adjusted funds flow and free funds flow to be lower than their respective historical amounts primarily due to lower anticipated natural gas prices. The commodity price assumptions on which the Corporation's guidance is based are set forth under the heading *"Outlook and Guidance – Updated 2024 Guidance"*.

Transportation and Other Expense

Birchcliff defines "transportation and other expense" as transportation expense plus marketing purchases less marketing revenue. Birchcliff may enter into certain marketing purchase and sales arrangements with the objective of reducing any unused transportation or fractionation fees associated with its take-or-pay commitments and/or increasing the value of its production through value-added downstream initiatives. Management believes that transportation and other expense assists management and investors in assessing Birchcliff's total cost structure related to transportation and marketing activities. The most directly comparable GAAP financial measure to transportation and other expense is transportation expense. The following table provides a reconciliation of transportation expense to transportation and other expense for the periods indicated:

	Three months ended September 30,		**Nine months ended September 30,**	
($000s)	**2024**	**2023**	**2024**	**2023**
Transportation expense	**36,259**	**40,455**	**112,812**	**114,319**
Marketing purchases	14,530	8,618	36,591	25,844
Marketing revenue	(14,472)	(5,637)	(39,986)	(21,989)
Transportation and other expense	**36,317**	**43,436**	**109,417**	**118,174**

Operating Netback

Birchcliff defines "operating netback" as petroleum and natural gas revenue less royalty expense, operating expense and transportation and other expense. Operating netback is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback assists management and investors in assessing Birchcliff's operating profits after deducting the cash costs that are directly associated with the sale of its production, which can then be used to pay other corporate cash costs or satisfy other obligations. The following table provides a breakdown of Birchcliff's operating netback for the periods indicated:

	Three months ended September 30,		**Nine months ended September 30,**	
($000s)	**2024**	**2023**	**2024**	**2023**
Petroleum and natural gas revenue	122,835	177,126	433,115	557,064
Royalty expense	(9,284)	(13,892)	(30,575)	(50,857)
Operating expense	(19,283)	(26,792)	(70,132)	(79,001)
Transportation and other expense	(36,317)	(43,436)	(109,417)	(118,174)
Operating netback	**57,951**	**93,006**	**222,991**	**309,032**

Total Capital Expenditures

Birchcliff defines "total capital expenditures" as exploration and development expenditures less dispositions plus acquisitions (if any) and plus administrative assets. Management believes that total capital expenditures assists management and investors in assessing Birchcliff's overall capital cost structure associated with its petroleum and natural gas activities. The most directly comparable GAAP financial measure to total capital expenditures is exploration and development expenditures. The following table provides a reconciliation of exploration and development expenditures to total capital expenditures for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
($000s)	**2024**	**2023**	**2024**	**2023**
Exploration and development expenditures[(1)]	**63,620**	**66,677**	**214,774**	**246,471**
Acquisitions	93	188	93	188
Dispositions	(49)	-	(158)	(77)
Administrative assets	222	610	1,363	1,793
Total capital expenditures	**63,886**	**67,475**	**216,072**	**248,375**

(1) Disclosed as F&D capital expenditures elsewhere in this press release. See "*Advisories – F&D Capital Expenditures*".

Effective Sales – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff defines "effective sales" in the AECO market and NYMEX HH market as the sales amount received from the production of natural gas that is effectively attributed to the AECO and NYMEX HH market pricing, respectively, and does not consider the physical sales delivery point in each case. Effective sales in the NYMEX HH market includes realized gains and losses on financial instruments and excludes the notional fixed basis costs associated with the underlying financial contracts in the period. Birchcliff defines "effective total natural gas sales" as the aggregate of the effective sales amount received in each natural gas market. Birchcliff defines "effective total corporate sales" as the aggregate of the effective total natural gas sales and the sales amount received from the production of light oil, condensate and NGLs. Management believes that disclosing the effective sales for each natural gas market assists management and investors in assessing Birchcliff's natural gas diversification and commodity price exposure to each market. The most directly comparable GAAP financial measure to effective total natural gas sales and effective total corporate sales is natural gas sales. The following table provides a reconciliation of natural gas sales to effective total natural gas sales and effective total corporate sales for the periods indicated:

	Three months ended September 30,	
($000s)	**2024**	**2023**
Natural gas sales	**51,853**	**95,109**
Realized gain (loss) on financial instruments	8,112	(5,652)
Notional fixed basis costs[(1)]	20,711	20,305
Effective total natural gas sales	**80,676**	**109,762**
Light oil sales	19,289	15,969
Condensate sales	36,625	48,037
NGLs sales	15,055	17,967
Effective total corporate sales	**151,645**	**191,735**

(1) Reflects the aggregate notional fixed basis cost associated with Birchcliff's financial and any physical NYMEX HH/AECO 7A basis swap contracts in the period.

Non-GAAP Ratios

NI 52-112 defines a non-GAAP ratio as a financial measure that: (i) is in the form of a ratio, fraction, percentage or similar representation; (ii) has a non-GAAP financial measure as one or more of its components; and (iii) is not disclosed in the financial statements of the entity. The non-GAAP ratios used in this press release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies. Set forth below is a description of the non-GAAP ratios used in this press release.

Adjusted Funds Flow Per Boe and Adjusted Funds Flow Per Basic Common Share

Birchcliff calculates "adjusted funds flow per boe" as aggregate adjusted funds flow in the period divided by the production (boe) in the period. Management believes that adjusted funds flow per boe assists management and investors in assessing Birchcliff's financial profitability and sustainability on a cash basis by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Birchcliff calculates "adjusted funds flow per basic common share" as aggregate adjusted funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that adjusted funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength on a per common share basis.

Free Funds Flow Per Basic Common Share

Birchcliff calculates "free funds flow per basic common share" as aggregate free funds flow in the period divided by the weighted average basic common shares outstanding at the end of the period. Management believes that free funds flow per basic common share assists management and investors in assessing Birchcliff's financial strength and its ability to deliver shareholder returns on a per common share basis.

Transportation and Other Expense Per Boe

Birchcliff calculates "transportation and other expense per boe" as aggregate transportation and other expense in the period divided by the production (boe) in the period. Management believes that transportation and other expense per boe assists management and investors in assessing Birchcliff's cost structure as it relates to its transportation and marketing activities by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Operating Netback Per Boe

Birchcliff calculates "operating netback per boe" as aggregate operating netback in the period divided by the production (boe) in the period. Operating netback per boe is a key industry performance indicator and one that provides investors with information that is commonly presented by other oil and natural gas producers. Management believes that operating netback per boe assists management and investors in assessing Birchcliff's operating profitability and sustainability by isolating the impact of production volumes to better analyze its performance against prior periods on a comparable basis.

Effective Average Realized Sales Price – Total Corporate, Total Natural Gas, AECO Market and NYMEX HH Market

Birchcliff calculates "effective average realized sales price" as effective sales, in each of total corporate, total natural gas, AECO market and NYMEX HH market, as the case may be, divided by the effective production in each of the markets during the period. Management believes that disclosing the effective average realized sales price for each natural gas market assists management and investors in comparing Birchcliff's commodity price realizations in each natural gas market on a per unit basis.

Capital Management Measures

NI 52-112 defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Set forth below is a description of the capital management measure used in this press release.

Total Debt

Birchcliff calculates "total debt" as the amount outstanding under the Credit Facilities plus working capital deficit (less working capital surplus) plus the fair value of the current asset portion of financial instruments less the fair value of the current liability portion of financial instruments and less the current portion of other liabilities discounted at the end of the period. The current portion of other liabilities has been excluded from total debt as these amounts have not been incurred and reflect future commitments in the normal course of operations. Management believes that total debt assists management and investors in assessing Birchcliff's overall liquidity and financial position at the end of the period. The following table provides a reconciliation of the amount outstanding under the Credit Facilities, as determined in accordance with GAAP, to total debt for the periods indicated:

As at, *($000s)*	September 30, 2024	December 31, 2023	September 30, 2023
Revolving term credit facilities	**489,413**	**372,097**	**318,711**
Working capital (surplus) deficit[(1)]	(847)	13,084	20,017
Fair value of financial instruments – asset[(2)]	38,543	3,588	7,971
Fair value of financial instruments – liability[(2)]	-	(1,394)	(4,777)
Other liabilities[(2)]	(13,556)	(5,069)	(14,267)
Total debt	**513,553**	**382,306**	**327,655**

(1) Current liabilities less current assets.

(2) Reflects the current portion only.

ADVISORIES

Unaudited Information

All financial and operational information contained in this press release for the three and nine months ended September 30, 2024 and 2023 is unaudited.

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars, all references to "$" and "CDN$" are to Canadian dollars and all references to "US$" are to United States dollars.

Boe Conversions

Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to 1 bbl of oil. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 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. 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 on a 6:1 basis may be misleading as an indication of value.

MMBtu Pricing Conversions

$1.00 per MMBtu equals $1.00 per Mcf based on a standard heat value Mcf.

Oil and Gas Metrics

This press release contains metrics commonly used in the oil and natural gas industry, including operating netback. These oil and gas metrics do not have any standardized meanings or standard methods of calculation and therefore may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide investors with measures to compare Birchcliff's performance over time; however, such measures are not reliable indicators of Birchcliff's future performance, which may not compare to Birchcliff's performance in previous periods, and therefore should not be unduly relied upon. For additional information regarding operating netback and how such metric is calculated, see *"Non-GAAP and Other Financial Measures".*

Production

With respect to the disclosure of Birchcliff's production contained in this press release: (i) references to "light oil" mean "light crude oil and medium crude oil" as such term is defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); (ii) references to "liquids" mean "light crude oil and medium crude oil" and "natural gas liquids" (including condensate) as such terms are defined in NI 51-101; and (iii) references to "natural gas" mean "shale gas", which also includes an immaterial amount of "conventional natural gas", as such terms are defined in NI 51-101. In addition, NI 51-101 includes condensate within the product type of natural gas liquids. Birchcliff has disclosed condensate separately from other natural gas liquids as the price of condensate as compared to other natural gas liquids is currently significantly higher and Birchcliff believes presenting the two commodities separately provides a more accurate description of its operations and results therefrom.

F&D Capital Expenditures

Unless otherwise stated, references in this press release to "F&D capital expenditures" denotes exploration and development expenditures as disclosed in the Corporation's financial statements in accordance with GAAP, and is primarily comprised of capital for land, seismic, workovers, drilling and completions, well equipment and facilities and capitalized G&A costs and excludes any acquisitions, dispositions, administrative assets and the capitalized portion of cash incentive payments that have not been approved by the Board. Management believes that F&D capital expenditures assists management and investors in assessing Birchcliff's capital cost outlay associated with its exploration and development activities for the purposes of finding and developing its reserves.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this press release relate to future events or Birchcliff's future plans, strategy, operations, performance or financial position and are based on Birchcliff's current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "seek", "plan", "focus", "future", "outlook", "position", "expect", "project", "intend", "believe", "anticipate", "estimate", "forecast", "guidance", "potential", "proposed", "predict", "budget", "continue", "targeting", "may", "will", "could", "might", "should", "would", "on track", "maintain", "deliver" and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

In particular, this press release contains forward-looking statements relating to:

- Birchcliff's plans and other aspects of its anticipated future financial performance, results, operations, focus, objectives, strategies, opportunities, priorities and goals, including: that Birchcliff's strategic decision earlier in the year to defer the drilling of 11 wells and bring them on production in Q4 puts it in a strong position to benefit from the anticipated strengthening of natural gas prices for the remainder of 2024 and in 2025; and that the unutilized credit capacity under the Credit Facilities provides Birchcliff with significant financial flexibility and available capital resources;
- statements relating to the COA, including that this arrangement will allow Birchcliff to leverage cost optimization opportunities, which are expected to drive lower operating costs, reduce downtime and optimize NGLs recoveries for Birchcliff;
- the information set forth under the heading *"Outlook and Guidance"* and elsewhere in this press release as it relates to Birchcliff's updated 2024 guidance, including: forecasts of annual average production, production commodity mix, average expenses, adjusted funds flow, F&D capital expenditures, free funds flow, annual base dividend, total debt at year end and natural gas market exposure in 2024; the expected impact of changes in commodity prices and the CDN/US exchange rate on Birchcliff's forecast of free funds flow for 2024; that approximately $0.30/boe of the decrease in the Corporation's operating expense guidance for 2024 is attributable to the reclassification of certain amounts under IFRS Accounting Standards as a result of the Corporation entering into the COA and approximately $0.20/boe is attributable to Birchcliff anticipating lower power and fuel prices, lower well servicing costs and cost optimization opportunities resulting from Birchcliff

assuming operatorship of the Gordondale Facility; and that lower anticipated adjusted funds flow is expected to result in lower free funds flow and higher total debt at year-end 2024 than previously forecast;

- the information set forth under the heading *"Outlook and Guidance"* and elsewhere in this press release as it relates to Birchcliff's preliminary 2025 guidance, including: forecasts of annual average production and F&D capital expenditures in 2025; that the Corporation's strategy for 2025 builds off of the operational momentum it has built in 2024, maintaining its strong focus on capital efficiency improvements and driving down costs; that Birchcliff's 2025 F&D capital expenditures will be strategically deployed throughout the year, with a program designed to remain flexible in response to commodity price volatility; that, based on its preliminary budgeting process and current commodity price outlook, the Corporation is targeting annual F&D capital expenditures of $260 million to $300 million and annual average production of 76,000 to 79,000 boe/d in 2025; that Birchcliff anticipates that the 2025 capital program will include approximately 25 to 30 wells being brought on production in the Pouce Coupe and Gordondale areas, as well as the completion of a large gas gathering infrastructure project and a planned facility turnaround in Pouce Coupe; that the Corporation anticipates that the 2025 capital program will include further investment in the Corporation's Elmworth area to protect, optimize and advance its long-term development strategy for this significant Montney asset; that the Corporation remains bullish on the long-term outlook for natural gas and anticipates structural improvement in natural gas prices going forward; that Birchcliff expects prices to improve in 2025 as compared to 2024 due to the anticipated increase in demand from the start-up of various North American LNG projects and gas-fired power generation; that in the current commodity price environment the Corporation remains focused on prioritizing its strong balance sheet and financial position, while balancing the continued profitable development of its world-class Montney asset base and shareholder returns; that in alignment with its commitment to maintain a strong balance sheet, the Corporation is continuing to target a total debt to forward annual adjusted funds flow ratio of less than 1.0 times in the long-term; and that the Corporation is continuing to evolve its plans for 2025 and expects to announce the details of its formal 2025 capital budget and updated five-year outlook for 2025 to 2029 on January 22, 2025;
- the information set forth under the heading "*Operational Update*" and elsewhere in this press release as it relates to Birchcliff's capital programs and its exploration, production and development activities and the timing thereof, including: estimates of F&D capital expenditures and statements regarding capital allocation; the anticipated number, types and timing of wells and pads to be drilled and brought on production and targeted product types; that Birchcliff's robust production results from wells in the 2024 capital program, along with ongoing improvements in operational execution, are forecast to substantially enhance capital efficiencies in 2024 as compared to 2023; that in order to prepare for the efficient execution of its 2025 capital program, Birchcliff has commenced the drilling of a 5-well pad in Pouce Coupe (the 04-05 pad) and that these wells are planned to be drilled in the Lower Montney and brought on production in early Q1 2025; that Birchcliff has allocated capital towards the drilling of various surface holes, pad-site construction and other activities to prepare for its 2025 capital program; that the drilling of 1 (1.0 net) horizontal well and 1 (1.0 net) vertical well in Elmworth will provide Birchcliff with the opportunity to continue a significant number of sections of Montney lands in Elmworth, as well as increase the Corporation's inventory and reservoir expertise in the Elmworth area; that the Corporation is currently considering completing and testing the horizontal well drilled in Elmworth as part of its 2025 capital program; and that Birchcliff is looking forward to providing further details regarding the results of its 16-15 pad and 10-22 pad on January 22, 2025;
- the performance and other characteristics of Birchcliff's oil and natural gas properties and expected results from its assets (including statements regarding the potential or prospectivity of Birchcliff's properties); and
- that Birchcliff anticipates the forward-looking non-GAAP financial measures for adjusted funds flow and free funds flow to be lower than their respective historical amounts primarily due to lower anticipated natural gas prices.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation's ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation, G&A and other expenses; Birchcliff's ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to obtain the anticipated benefits of the COA; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff's ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the approval of the Board of future dividends; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; the results of the Corporation's risk management and market diversification activities; and Birchcliff's natural gas market exposure. In addition to the foregoing assumptions, Birchcliff has made the following assumptions with respect to certain forward-looking statements contained in this press release:

- With respect to Birchcliff's 2024 guidance (as updated on November 14, 2024), such guidance is based on the commodity price, exchange rate and other assumptions set forth under the heading *"Outlook and Guidance – Updated 2024 Guidance"*. In addition:
    - Birchcliff's production guidance assumes that: the 2024 capital program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that Birchcliff relies on to produce its wells and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; the construction of new infrastructure meets timing and operational expectations; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations.
    - Birchcliff's forecast of F&D capital expenditures assumes that the 2024 capital program will be carried out as currently contemplated and excludes any potential acquisitions, dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The amount and allocation of capital expenditures for exploration and development activities by area and the number and types of wells to be drilled and brought on production is dependent upon results achieved and is subject to review and modification by management on an ongoing basis throughout the year. Actual spending may vary due to a variety of factors, including commodity prices, economic conditions, results of operations and costs of labour, services and materials.
    - Birchcliff's forecasts of adjusted funds flow and free funds flow assume that: the 2024 capital program will be carried out as currently contemplated and the level of capital spending for 2024 set forth herein is met; and the forecasts of production, production commodity mix, expenses and natural gas market exposure and the commodity price and exchange rate assumptions set forth herein are met. Birchcliff's forecast of adjusted funds flow takes into account its financial basis swap contracts outstanding as at November 6, 2024 and excludes cash incentive payments that have not been approved by the Board.
    - Birchcliff's forecast of year end total debt assumes that: (i) the forecasts of adjusted funds flow and free funds flow are achieved, with the level of capital spending for 2024 met and the payment of an annual base dividend of approximately $108 million; (ii) any free funds flow remaining after the payment of dividends, asset retirement obligations and other amounts for administrative assets, financing fees and capital lease obligations is allocated towards debt reduction; (iii) there are no buybacks of common shares during 2024; (iv) there are no significant acquisitions or dispositions completed by the Corporation during 2024; (v) there are no equity issuances during 2024; and (vi) there are no further proceeds received from the exercise of stock options or performance warrants during 2024. The forecast of total debt excludes cash incentive payments that have not been approved by the Board.
    - Birchcliff's forecast of its natural gas market exposure assumes: (i) 175,000 GJ/d being sold on a physical basis at the Dawn price; (ii) 147,500 MMBtu/d being contracted on a financial basis at an average fixed basis

differential price between AECO 7A and NYMEX HH of approximately US$1.12/MMBtu; and (iii) 8,014 GJ/d being sold at Alliance on a physical basis at the AECO 5A price plus a premium. Birchcliff's natural gas market exposure takes into account its financial basis swap contracts outstanding as at November 6, 2024.

- With respect to Birchcliff's preliminary 2025 guidance, such guidance is based on the following:
  - Birchcliff's production guidance assumes that: the 2025 capital program will be carried out as currently contemplated; no unexpected outages occur in the infrastructure that Birchcliff relies on to produce its wells and that any transportation service curtailments or unplanned outages that occur will be short in duration or otherwise insignificant; the construction of new infrastructure meets timing and operational expectations; existing wells continue to meet production expectations; and future wells scheduled to come on production meet timing, production and capital expenditure expectations.
  - Birchcliff's forecast of F&D capital expenditures assumes that the 2025 capital program will be carried out as currently contemplated and excludes any potential acquisitions, dispositions and the capitalized portion of cash incentive payments that have not been approved by the Board. The amount and allocation of capital expenditures for exploration and development activities by area and the number and types of wells to be drilled and brought on production is dependent upon results achieved and is subject to review and modification by management on an ongoing basis throughout the year. Actual spending may vary due to a variety of factors, including commodity prices, economic conditions, results of operations and costs of labour, services and materials.
- With respect to statements regarding future wells to be drilled or brought on production, such statements assume: the continuing validity of the geological and other technical interpretations performed by Birchcliff's technical staff, which indicate that commercially economic volumes can be recovered from Birchcliff's lands as a result of drilling future wells; and that commodity prices and general economic conditions will warrant proceeding with the drilling of such wells.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of crude oil and natural gas prices; risks associated with increasing costs, whether due to high inflation rates, supply chain disruptions or other factors; fluctuations in exchange and interest rates; an inability of Birchcliff to generate sufficient cash flow from operations to meet its current and future obligations; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with the Credit Facilities, including a failure to comply with covenants under the agreement governing the Credit Facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the risk that weather events such as wildfires, flooding, droughts or extreme hot or cold temperatures forces the Corporation to shut-in production or otherwise adversely affects the Corporation's operations; the occurrence of unexpected events such as fires, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; risks associated with supply chain disruptions; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; the uncertainty of estimates and projections relating to production, revenue, costs, expenses and reserves; the accuracy of estimates of reserves, future net revenue and production levels; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; the risks posed by pandemics, epidemics and global conflict (including the Russian invasion of Ukraine and the Israel-Hamas conflict) and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; stock market volatility; loss of market demand;

changes to the regulatory framework in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry (including uncertainty with respect to the interpretation of Bill C-59 and the related amendments to the *Competition Act* (Canada)); political uncertainty and uncertainty associated with government policy changes; actions by government authorities; an inability of the Corporation to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends, including the discretion of the Board to declare dividends and change the Corporation's dividend policy and the risk that the amount of dividends may be less than currently forecast; the failure to obtain any required approvals in a timely manner or at all; the failure to realize the anticipated benefits of the COA; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry and fossil fuels; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including risks associated with cyber-attacks); risks associated with the ownership of the Corporation's securities; the accuracy of the Corporation's accounting estimates and judgments; and the risk that any of the Corporation's material assumptions prove to be materially inaccurate (including the Corporation's commodity price and exchange rate assumptions).

The declaration and payment of any future dividends are subject to the discretion of the Board and may not be approved or may vary depending on a variety of factors and conditions existing from time to time, including commodity prices, free funds flow, current and forecast commodity prices, fluctuations in working capital, financial requirements of Birchcliff, applicable laws (including solvency tests under the *Business Corporations Act* (Alberta) for the declaration and payment of dividends) and other factors beyond Birchcliff's control. The payment of dividends to shareholders is not assured or guaranteed and dividends may be reduced or suspended entirely. In addition to the foregoing, the Corporation's ability to pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Corporation has incurred or may incur in the future, including the terms of the Credit Facilities. The agreement governing the Credit Facilities provides that Birchcliff is not permitted to make any distribution (which includes dividends) at any time when an event of default exists or would reasonably be expected to exist upon making such distribution, unless such event of default arose subsequent to the ordinary course declaration of the applicable distribution.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect Birchcliff's results of operations, financial performance or financial results are included in Birchcliff's annual information form and annual management's discussion and analysis for the financial year ended December 31, 2023 under the heading *"Risk Factors"* and in other reports filed with Canadian securities regulatory authorities.

This press release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "**FOFI**") about Birchcliff's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Birchcliff's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Birchcliff has included FOFI in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

Management has included the above 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 Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements and FOFI contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements and FOFI contained herein are made as of the date of this press release. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements or FOFI, whether as a result of new information, future events or otherwise.

ABOUT BIRCHCLIFF:

Birchcliff is a dividend-paying, intermediate oil and natural gas company based in Calgary, Alberta with operations focused on the Montney/Doig Resource Play in Alberta. Birchcliff's common shares are listed for trading on the Toronto Stock Exchange under the symbol "BIR".

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