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May 28, 2013

**BIRCHCLIFF ENERGY LTD. ANNOUNCES
MARKETED PREFERRED SHARE OFFERING**

Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff” or the “Corporation”) (TSX: BIR) is pleased to announce that it has filed and obtained a receipt for a preliminary short form prospectus (the “**Preliminary Prospectus**”) in connection with a proposed marketed offering of cumulative redeemable preferred shares, Series C (“**Preferred Shares, Series C**”) at a price of \$25.00 per Preferred Share, Series C (the “**Offering**”). Holders of the Preferred Shares, Series C will be entitled to receive, as and when declared by the Board of Directors, cumulative dividends, payable quarterly. The Preferred Shares, Series C will not be redeemable by the Corporation prior to June 30, 2018 and will not be redeemable by the holders of the Preferred Shares, Series C prior to June 30, 2020, in accordance with their terms. The Preliminary Prospectus is available on Birchcliff’s website at www.birchcliffenergy.com and on SEDAR at www.sedar.com.

The Preliminary Prospectus was filed in all provinces of Canada, except Quebec, and the Offering will be conducted through a syndicate of underwriters co-led by National Bank Financial Inc., Cormark Securities Inc. and GMP Securities L.P., on their own behalf and on behalf of CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., Peters & Co. Limited, Stifel Nicolaus Canada Inc. and Integral Wealth Securities Limited (collectively, the “**Underwriters**”). An underwriting agreement has not yet been entered into by the Corporation and the Underwriters.

The size and final terms of the Offering, including the yield of the Preferred Shares, Series C will be determined in the context of the market and it is anticipated that the Corporation will file an amended preliminary short form prospectus to reflect the terms of the Offering. Net proceeds of the Offering are anticipated to be used to initially reduce indebtedness under the Corporation’s revolving credit facilities, which will be subsequently redrawn and applied as needed to fund the Corporation’s ongoing exploration and development programs and for general working capital purposes.

The Offering is scheduled to close on or about June 14, 2013 and is subject to certain conditions including, but not limited to, completion of a satisfactory due diligence investigation by the Underwriters, the entry into a mutually acceptable underwriting agreement by the Corporation and the Underwriters and the receipt of all necessary third party and regulatory approvals, including the approval of the Toronto Stock Exchange.

ADVISORIES

This news release does not constitute an offer to sell or a solicitation of an offer to buy the Preferred Shares, Series C in any jurisdiction. The Preferred Shares, Series C offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Preliminary Prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The Preliminary Prospectus is still subject to completion or amendment. Copies of the Preliminary Prospectus may be obtained from National Bank Financial Inc., Cormark Securities Inc., GMP Securities L.P., CIBC World

Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., Peters & Co. Limited, Stifel Nicolaus Canada Inc. and Integral Wealth Securities Limited. There will not be any sale or acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

Forward Looking Information: *This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information relates to future events or future performance and is based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. All information other than historical fact is forward-looking information. In particular, this Press Release contains forward-looking information relating to the filing of an amended preliminary short form prospectus, the anticipated use of proceeds of the Offering and the anticipated closing date of the Offering. The filing of an amended preliminary short form prospectus assumes satisfactory terms will be obtained in the context of the marketing. The anticipated closing date of the Offering assumes that prior to that date, the Corporation will obtain all necessary third party and regulatory approvals and all applicable pre-conditions will be satisfied, including the finalization of the terms and conditions of the Offering. The anticipated use of proceeds assumes that the Offering closes as contemplated and the board of directors of the Corporation do not allocate the proceeds of the Offering for alternative purposes.*

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Although the Corporation 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. As a consequence, actual results may differ materially from those anticipated. Forward-looking information necessarily involves both known and unknown risks. The risk factors that could render assumptions relating to the Offering invalid are primarily events beyond the Corporation's control that preclude the Corporation from satisfying all applicable pre-conditions.

Additional information on these and other risk factors that could affect operations or financial results are included in the Preliminary Prospectus dated May 28, 2013, the Corporation's most recent Annual Information Form and in other reports filed with Canadian securities regulatory authorities which are available at www.sedar.com. Forward-looking information is based on estimates and opinions of management at the time the information is presented. The Corporation is not under any duty to update the forward-looking information after the date of this Press Release to conform such information to actual results or to changes in the Corporation's plans or expectations, except as otherwise required by applicable securities laws.

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

For further information, please contact:

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