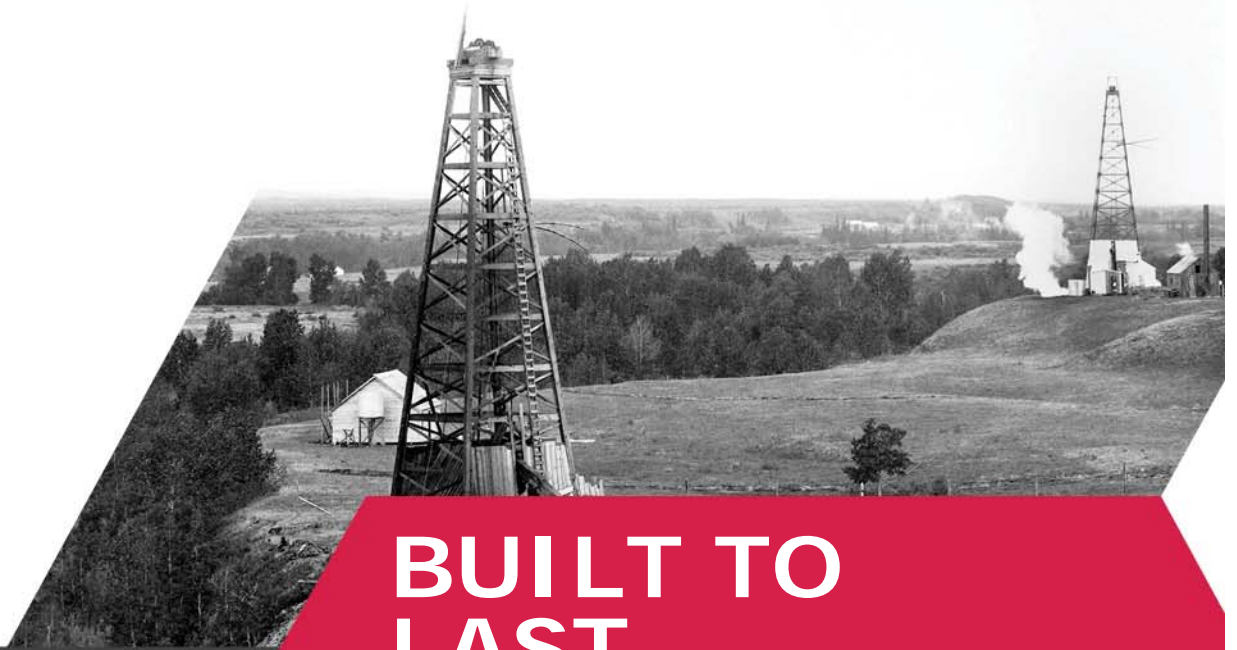




TSX: CJ



CARDINAL
ENERGY LTD.



**BUILT TO
LAST**

Annual and Special Meeting of Shareholders May 11, 2017

Sustainability & Growth



Cardinal is a **self funding** dividend plus growth, oil focused Company.

Decline is Key

- minimize capital spend to replace declines and grow production
- lowest decline conventional oil producer in peer group

Risk Management

- hedge all available outputs and inputs, oil, gas, differentials and electricity.
- asset risk spread across 3 core areas, ownership of key infrastructure

Capital efficiencies

- core drilling play in Bantry achieves full cycle capital efficiencies of \$11,000/boe (IP365)
- Mitsue is expected to be equal or better than Bantry

2017 Goals

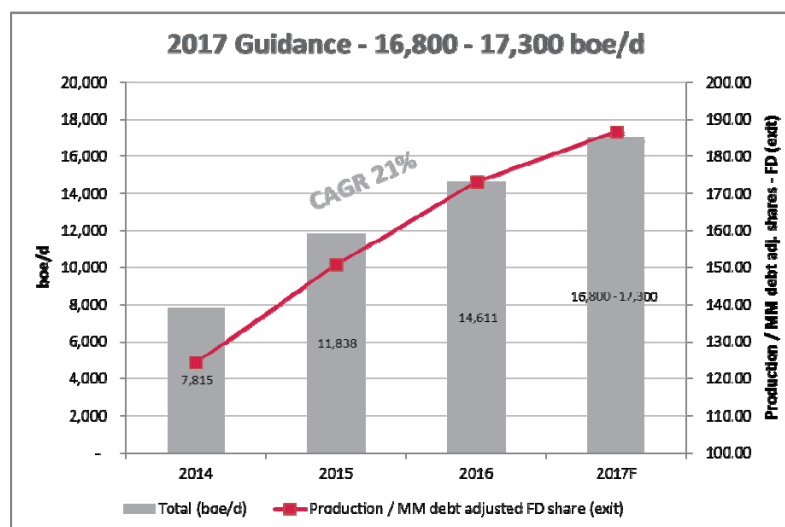


1. Further develop/improve Mitsue drill results and pool performance
2. Increase weighting towards light oil
3. Begin the process of achieving size relevance in an accretive manner.

Production Growth and Capex



Year	Production (boe/d)	Y/Y Production Growth ⁽¹⁾	Y/Y PPS Growth ⁽¹⁾	Dividend Yield	E&D CAPEX (\$MM)	Total Return
2014	7,815	469%	58%	6.1%	38	64.1%
2015	11,838	51%	12%	6.2%	37	18.2%
2016	14,611	23%	4%	4.8%	41	8.8%
2017F	16,800 - 17,300	18%	6%	6.0%	58	12.0%



1. Production and production per share growth (PPS) for 2017F is calculated based on top-end of guidance range.

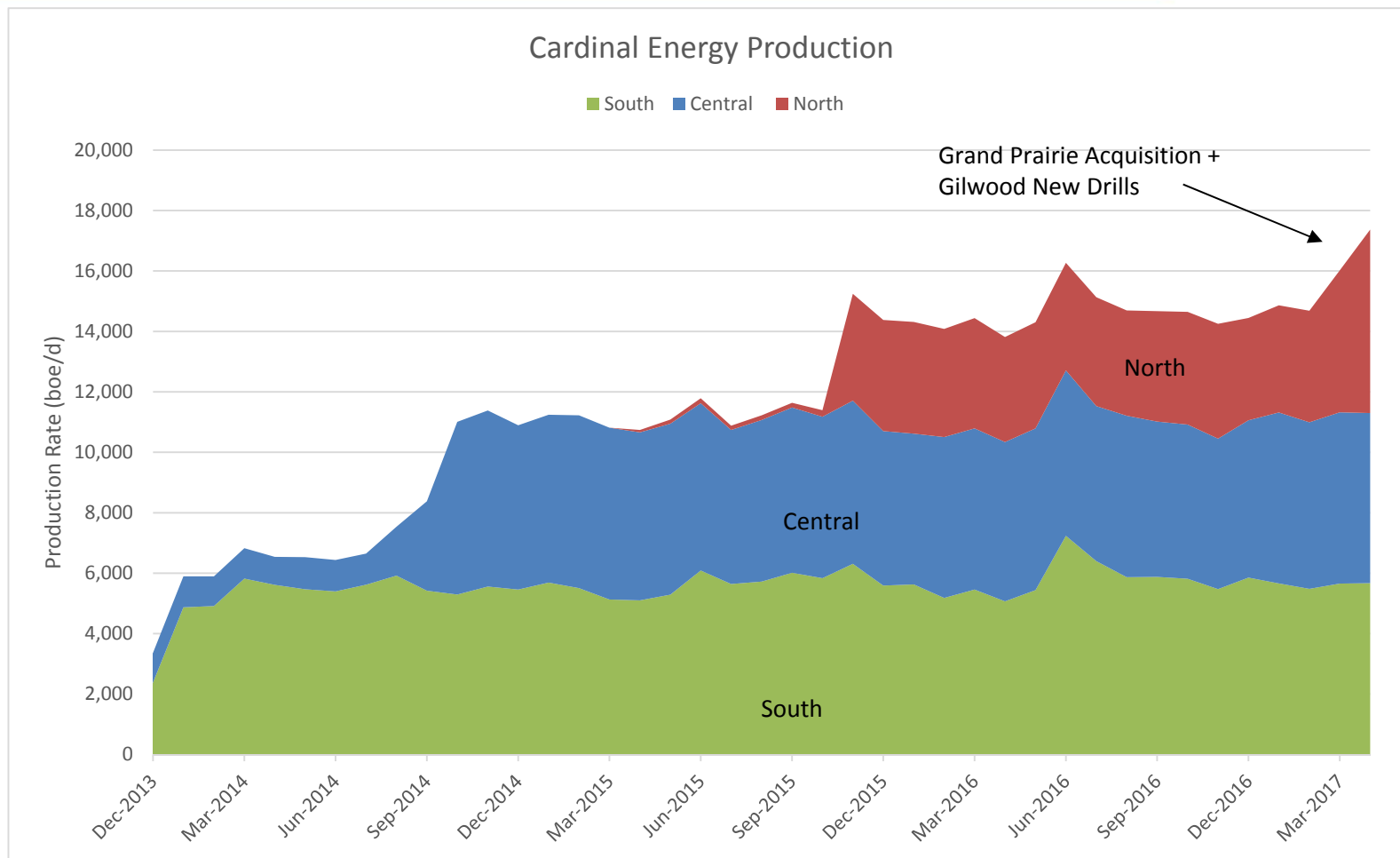
Operational Highlights



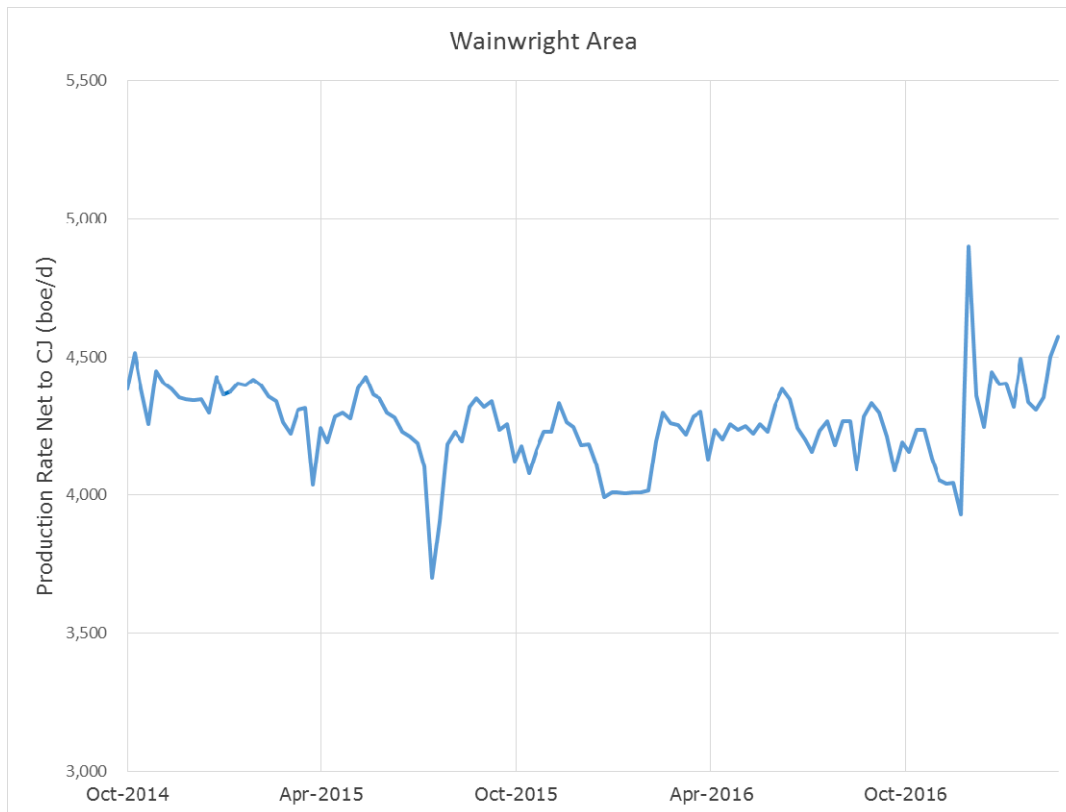
- ❑ Q1 2017 production was 15,168 boe/d
 - Base production, maintaining low decline rates
 - Closed Grand Prairie acquisition in late March
 - Drilled and completed 3 (1.9 net) wells in Mitsue
 - Drilling the 8th well and completing the 6th well in the South
 - Current production is approximately 17,000 boe/d

- ❑ Cardinal will continue to drill through Q2 completing 8 of the 9 budgeted wells in the South (Bantry)
- ❑ Grand Prairie (Dunvegan) and Wainwright (Waseca) will start drilling in late Q2 and Q3
- ❑ Mitsue to resume drilling in late Q3
- ❑ Cardinal will spend 65% of our E&D budget before May 31, 2017

Cardinal Production By Area

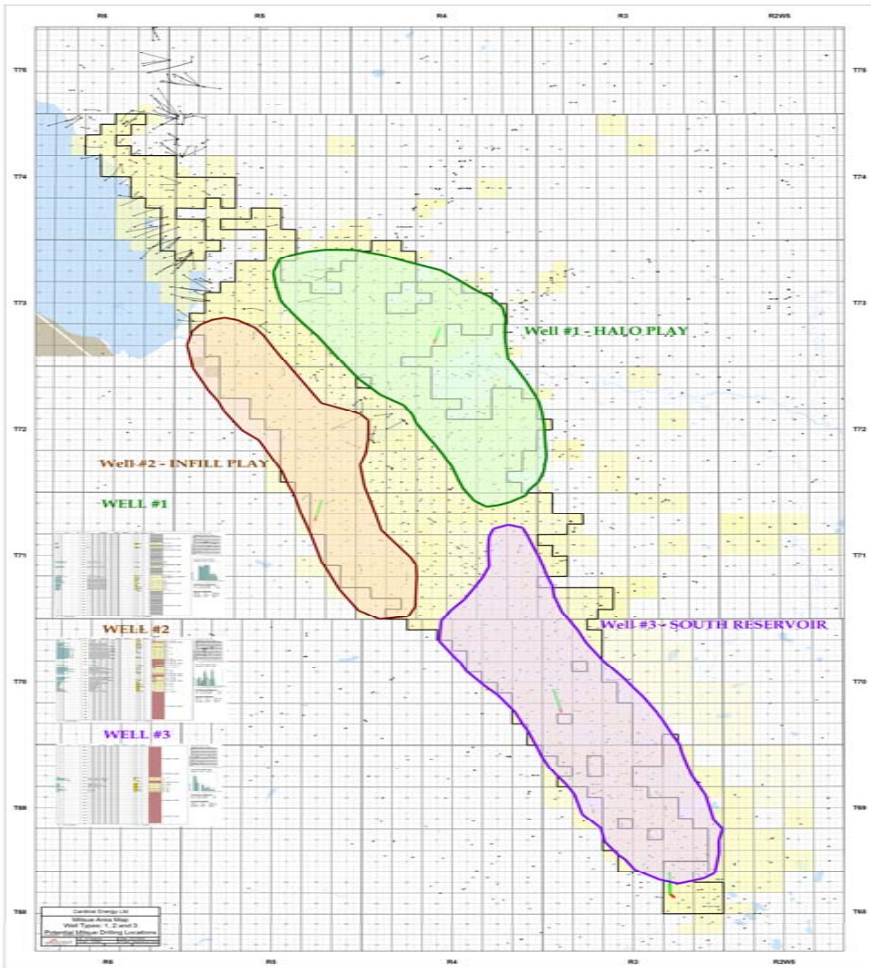


Wainwright Decline



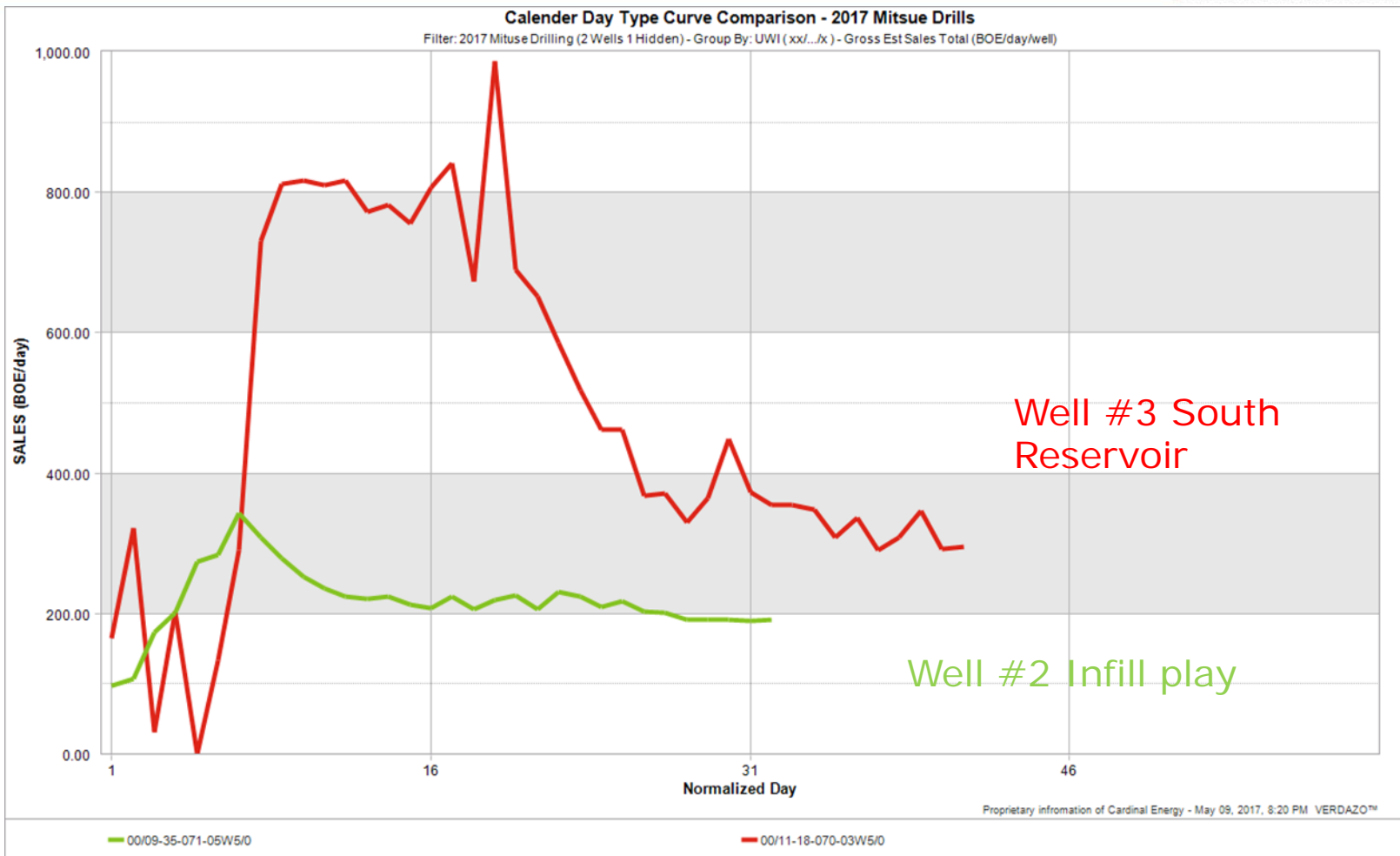
- No new drilling
- Less than 5% decline
- Result ~4MMboe of reserves in 2016

Mitsue Q1 Drilling

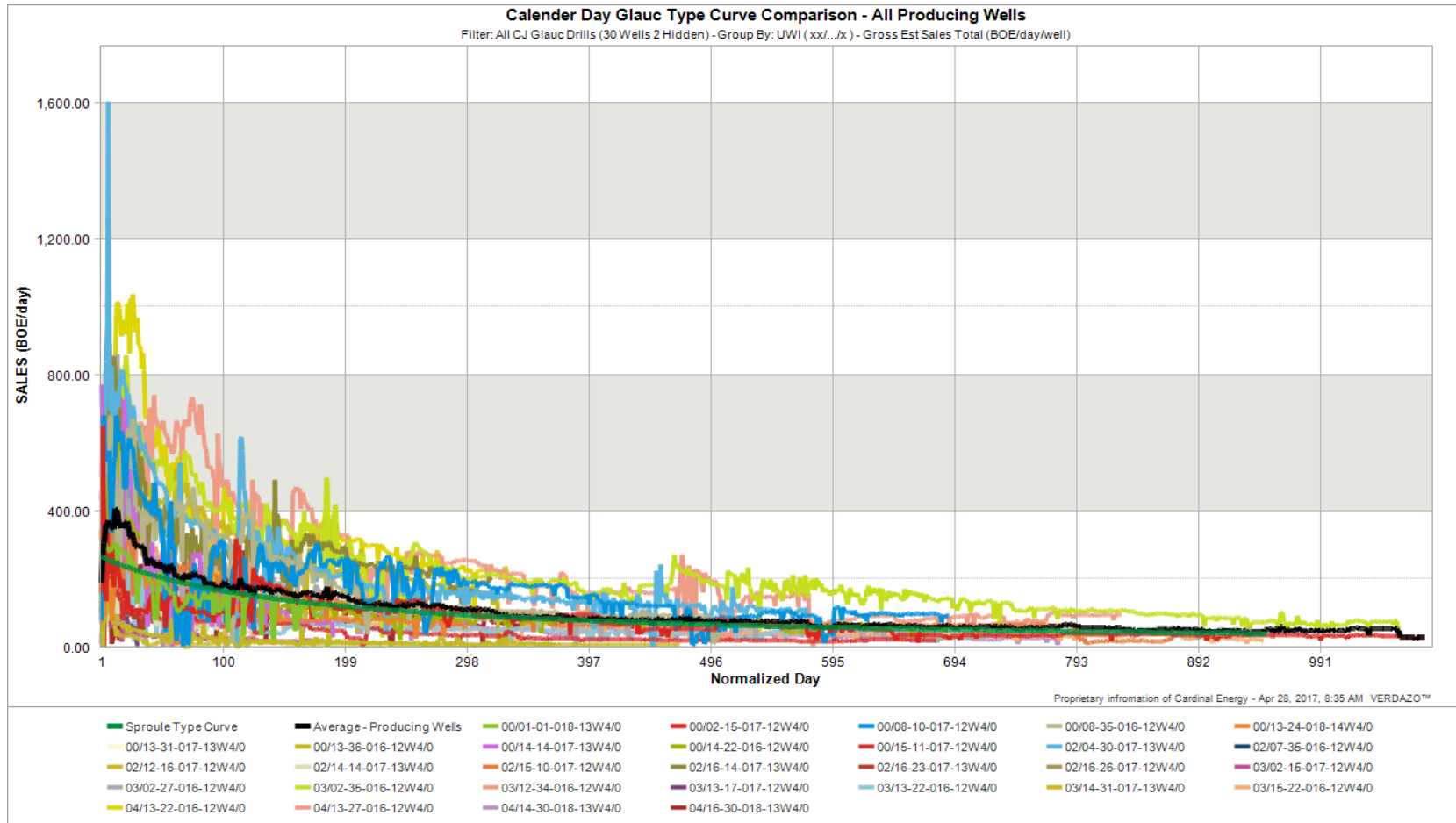


- The wells have accessed over 3100m of light oil reservoir
- The wells are testing 3 different concepts in low recovery reservoir:
- Well #1 Halo Play – tighter reservoir with limited impact from EOR. (16-9), ideal for horizontal multi-stage fracs.
- Well #2 Infill play – Higher quality reservoir in existing EOR areas. Targeting bypassed oil in areas of lower drill density. (9-35)
- Well #3 South Reservoir – previously gas cap restricted. The removal of the gas cap restrictions allows for access to this reservoir development. (11-18)

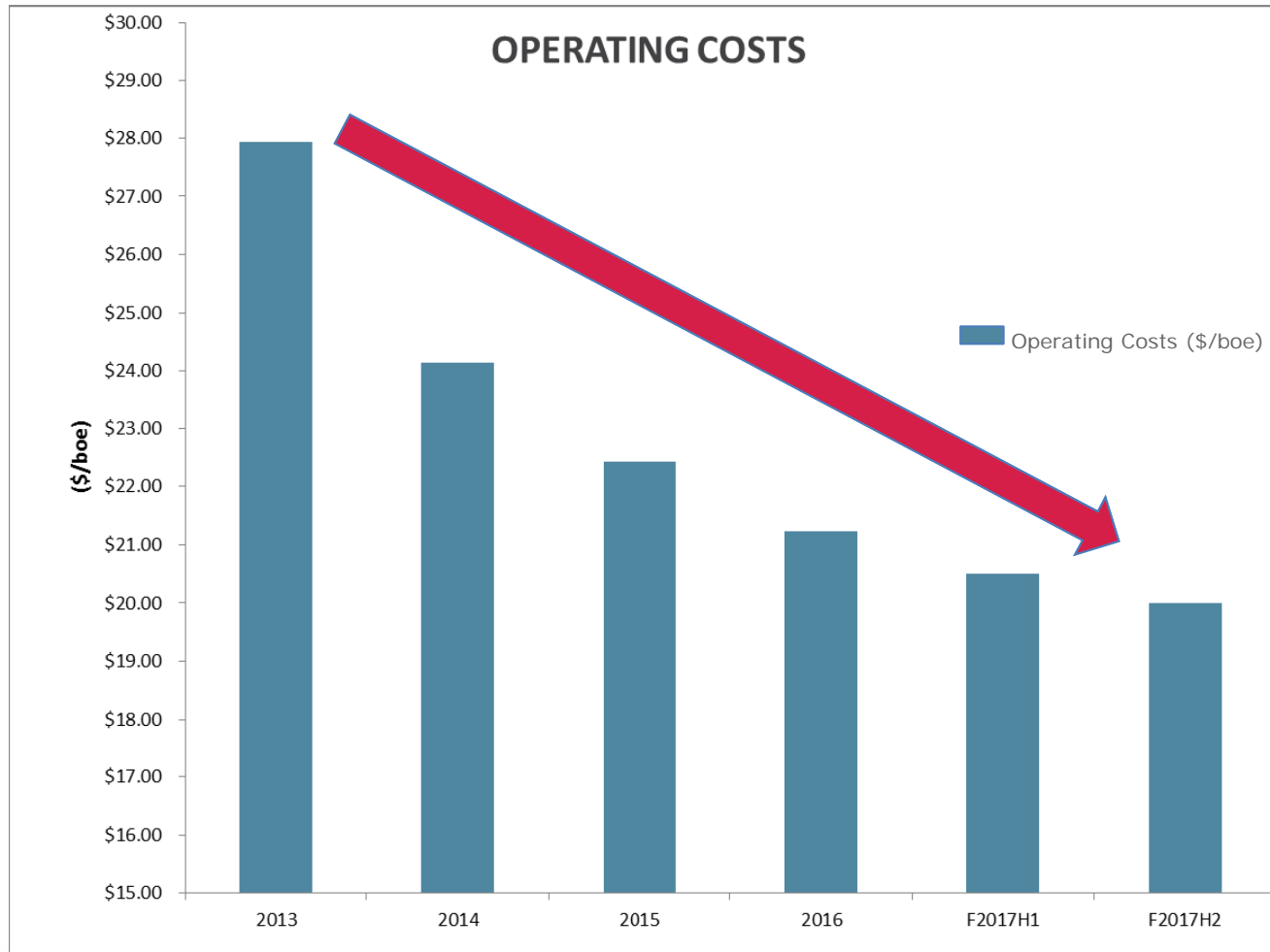
2017 Mitsue Drilling



South Glauco Drills



Operating Costs



2017 Guidance



Operational	2017e ⁽¹⁾	2016	2015
Average WTI oil price	\$ 55	\$ 43	\$ 49
Average annual production (boe/d)	16,800 – 17,300	14,611	11,838
Development capital (\$MM)	\$ 58	\$ 41	\$ 37
Corporate decline	<15%	<10%	<10%
Capital efficiency (drilling)	\$18,000	\$9,000	\$12,000
Production growth	15-18%	23%	51%
Financial			
Adjusted funds flow ("AFF") (\$MM)	\$92	\$59	\$95
- per share (basic)	\$1.18	\$0.84	\$1.61
Total dividend (\$MM)	\$33	\$30	\$50
- per share	\$0.42	\$0.42	\$0.84
Net bank debt (\$MM)	\$79	\$70	\$97
Convertible debentures (\$MM) ⁽²⁾	\$50	\$50	\$50
Total payout ratio	~95%	~100%	87%

1. 2017 WTI \$55 per bbl, FX rate of \$0.74 USD/CAD and a differential to WCS of \$19.00
2. 5.5% semi-annual coupon, convertible at \$10.50 and maturing December 31, 2020

Sustainability Analysis



Commodity Sensitivity (unhedged)

Run Rate	17,000	boe/d				
WTI (USD)	\$/bbl	50.00	55.00	60.00	65.00	
FX	US\$/C\$	0.74	0.74	0.74	0.74	
WTI (CAD)	\$/bbl	67.56	74.32	81.08	87.84	
WCS Differential (CAD)	\$/bbl	19	19	19	19	
Run Rate Adjusted Funds Flow	\$ MM	87	116	146	175	
Capex	\$ MM	58	58	58	58	
Dividend	\$ MM	33	33	33	33	
Capex Plus Dividend	\$ MM	91	91	91	91	
Cash Surplus	\$ MM	(4)	25	55	84	
Total Payout Ratio	%	105	78	62	52	
Net Bank Debt/Adjusted Funds Flow	x	1.1	0.7	0.5	0.3	



CARDINAL
ENERGY LTD.