



**CARDINAL**  
ENERGY LTD.

**FINANCIAL STATEMENTS**

**Q1** 2015

## CONDENSED INTERIM BALANCE SHEETS

As at <i>(Unaudited, thousands)</i>	Note	March 31, 2015	December 31, 2014
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		\$ -	\$ 178
Trade and other receivables		20,661	20,334
Deposits and prepaid expenses		1,619	1,147
Fair value of financial instruments	10	28,272	40,590
		<b>50,552</b>	62,249
Non-current assets			
Exploration and evaluation assets	3	7,182	7,160
Property, plant and equipment	4	826,004	843,844
		<b>833,186</b>	851,004
<b>Total Assets</b>		<b>\$ 883,738</b>	\$ 913,253
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables		\$ 24,107	\$ 24,012
Dividends payable	8	4,013	3,977
Fair value of financial instruments	10	2,103	-
Decommissioning obligation	6	1,800	1,788
		<b>32,023</b>	29,777
Non-current liabilities			
Bank debt	5	40,095	47,735
Decommissioning obligation	6	78,919	77,993
Deferred taxes		5,610	9,820
		<b>124,624</b>	135,548
<b>Total Liabilities</b>		<b>156,647</b>	165,325
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	691,572	686,288
Warrants	7	1,194	1,308
Contributed surplus		6,597	7,736
Retained earnings		27,728	52,596
<b>Total Shareholders' Equity</b>		<b>727,091</b>	747,928
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 883,738</b>	\$ 913,253

Subsequent events

11

*The accompanying notes are an integral part of these condensed interim financial statements*



## CONDENSED INTERIM STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)

<i>(Unaudited, thousands except per share amounts)</i>	<i>Note</i>	Three months ended March 31,	
		2015	2014
<b>Revenue</b>			
Petroleum and natural gas revenue		\$ 38,409	\$ 41,287
Royalties		(4,833)	(4,636)
Realized gain (loss) on commodity contracts	10	14,980	(1,549)
Unrealized loss on commodity contracts	10	(13,879)	(3,873)
		<b>34,677</b>	<b>31,229</b>
<b>Expenses</b>			
Operating		23,013	13,374
Unrealized loss on power contracts	10	542	17
General and administrative		2,914	2,143
Share-based compensation	9	2,256	1,575
Finance		2,080	1,104
Depletion and depreciation	4	20,929	11,729
		<b>51,734</b>	<b>29,942</b>
Earnings (loss) before deferred tax		(17,057)	1,287
Deferred tax expense (reduction)		(4,210)	390
<b>Earnings (loss) and comprehensive earnings (loss) for the period</b>		<b>\$ (12,847)</b>	<b>\$ 897</b>
<b>Earnings (loss) per share</b>			
Basic	7	\$ (0.22)	\$ 0.02
Diluted		\$ (0.22)	\$ 0.02

*The accompanying notes are an integral part of these condensed interim financial statements*



## CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(Unaudited, thousands except number of common shares)</i>	<b>Number of Common Shares</b>	<b>Share Capital</b>	<b>Warrants</b>	<b>Contributed Surplus</b>	<b>Retained Earnings</b>	<b>Total Shareholders' Equity</b>
		<i>(note 7)</i>	<i>(note 7)</i>	<i>(note 9)</i>		
<b>January 1, 2014</b>	34,875,532	\$ 302,562	\$ 1,756	\$ 1,167	\$ 31,378	\$ 336,863
Issued for cash	2,187,500	28,000	-	-	-	28,000
Exercise of options and warrants	574,489	3,218	(854)	(319)	-	2,045
Dividends (\$0.16251 per share)	-	-	-	-	(5,992)	(5,992)
Issued pursuant to SDP and DRIP <sup>(1)</sup>	38,389	508	-	-	-	508
Share based compensation	-	-	70	1,687	-	1,757
Share issue costs, net of deferred tax of \$403	-	(1,212)	-	-	-	(1,212)
Earnings for the period	-	-	-	-	897	897
<b>March 31, 2014</b>	<b>37,675,910</b>	<b>\$ 333,076</b>	<b>\$ 972</b>	<b>\$ 2,535</b>	<b>\$ 26,283</b>	<b>\$ 362,866</b>
<b>January 1, 2015</b>	56,819,301	\$ 686,288	\$ 1,308	\$ 7,736	\$ 52,596	\$ 747,928
Exercise of options and warrants	114,099	674	(196)	(80)	-	398
Settlement of RAs <sup>(2)</sup>	318,610	3,511	-	(3,511)	-	-
Dividends (\$0.21 per share)	-	-	-	-	(12,021)	(12,021)
Issued pursuant to SDP and DRIP <sup>(1)</sup>	81,909	1,099	-	-	-	1,099
Share based compensation	-	-	82	2,452	-	2,534
Loss for the period	-	-	-	-	(12,847)	(12,847)
<b>March 31, 2015</b>	<b>57,333,919</b>	<b>\$ 691,572</b>	<b>\$ 1,194</b>	<b>\$ 6,597</b>	<b>\$ 27,728</b>	<b>\$ 727,091</b>

(1) Stock Dividend Program ("SDP") and Dividend Reinvestment Plan ("DRIP")

(2) Restricted Bonus Awards ("RAs")

*The accompanying notes are an integral part of these condensed interim financial statements*



## CONDENSED INTERIM STATEMENTS OF CASH FLOWS

<i>(Unaudited, thousands)</i>	<i>Note</i>	Three months ended March 31,	
		2015	2014
<b>Cash provided by (used in)</b>			
<b>Operating activities</b>			
Earnings (loss) for the period		\$ (12,847)	\$ 897
Adjustments for			
Share-based compensation	9	2,256	1,575
Depletion and depreciation	4	20,929	11,729
Unrealized loss on commodity contracts	10	13,879	3,873
Unrealized loss on power contracts	10	542	17
Deferred tax expense (reduction)		(4,210)	390
Accretion	6	1,395	748
Decommissioning obligation settled	6	(457)	(148)
Change in non-cash working capital		2,161	(6,551)
		<b>23,648</b>	<b>12,530</b>
<b>Investing activities</b>			
Exploration and evaluation expenditures		(22)	(1,179)
Property, plant and equipment expenditures		(2,939)	(8,881)
Acquisitions, net		128	(26,634)
Change in non-cash working capital		(2,946)	5,551
		<b>(5,779)</b>	<b>(31,143)</b>
<b>Financing activities</b>			
Issue of common shares	7	-	28,000
Share issue costs	7	-	(1,615)
Options and warrants exercised	7	398	2,045
Dividends	8	(10,922)	(5,484)
Decrease in bank debt		(7,640)	(5,316)
Change in non-cash working capital		117	983
		<b>(18,047)</b>	<b>18,613</b>
Change in cash and cash equivalents		<b>(178)</b>	-
Cash and cash equivalents, beginning of period		178	-
Cash and cash equivalents, end of period		\$ -	\$ -

The accompanying notes are an integral part of these condensed interim financial statements



## NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2015 and 2014

*(Unaudited, thousands of dollars, except per share amounts or unless otherwise stated)*

### 1 REPORTING ENTITY

Cardinal Energy Ltd. (“Cardinal” or the “Company”) was incorporated pursuant to the Business Corporations Act (Alberta) on December 21, 2010 and commenced activity on May 30, 2012. On December 31, 2014 Cardinal amalgamated with its wholly-owned subsidiary. The Company’s principal business activity is the acquisition, development, exploration and production of petroleum and natural gas in the provinces of Alberta and Saskatchewan. Cardinal’s principal place of business is located at 600, 400 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta, Canada, T2P 4H2.

### 2 BASIS OF PREPARATION

#### Statement of Compliance

These condensed interim financial statements (“financial statements”) have been prepared in accordance with statement IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”). The financial statements were prepared using the same accounting policies, critical judgments and key estimates which the Company applied in its annual consolidated financial statements for the year ended December 31, 2014 and do not include certain disclosures that are normally required to be included in annual financial statements which have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014.

The financial statements were authorized for issue by the Board of Directors on May 11, 2015.

#### Use of Estimates and Judgements

The timely preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. As such, actual results may differ from these estimates as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### 3 EXPLORATION AND EVALUATION ASSETS

At January 1, 2014	\$	4,921
Additions		2,239
At December 31, 2014		7,160
Additions		22
<b>At March 31, 2015</b>	<b>\$</b>	<b>7,182</b>



## 4 PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Corporate assets	Total
<b>Cost</b>			
At January 1, 2014	\$ 402,713	\$ 488	\$ 403,201
Additions	44,812	2,342	47,154
Acquisitions, net	467,307	-	467,307
At December 31, 2014	914,832	2,830	917,662
Additions	3,160	57	3,217
Acquisitions, net	(128)	-	(128)
<b>At March 31, 2015</b>	<b>\$ 917,864</b>	<b>\$ 2,887</b>	<b>\$ 920,751</b>
<b>Accumulated depletion and depreciation</b>			
At January 1, 2014	\$ (12,289)	\$ (127)	\$ (12,416)
Depletion and depreciation	(61,235)	(167)	(61,402)
At December 31, 2014	(73,524)	(294)	(73,818)
Depletion and depreciation	(20,829)	(100)	(20,929)
<b>At March 31, 2015</b>	<b>\$ (94,353)</b>	<b>\$ (394)</b>	<b>\$ (94,747)</b>
<b>Net book value</b>			
At December 31, 2014	\$ 841,308	\$ 2,536	\$ 843,844
<b>At March 31, 2015</b>	<b>\$ 823,511</b>	<b>\$ 2,493</b>	<b>\$ 826,004</b>

The calculation of depletion for the three months ended March 31, 2015 includes estimated future development costs of \$44.7 million (2014 - \$44.7 million) associated with the development of the Company's proved plus probable reserves. For the three months ended March 31, 2015, Cardinal capitalized \$0.1 million of general and administrative expenses (2014 - \$0.04 million) and \$0.3 million (2014 - \$0.2 million) of share-based compensation.

## 5 BANK DEBT

At March 31, 2015 the Company's credit facilities consisted of a \$105 million syndicated revolving term credit facility and a \$20 million non-syndicated revolving operating term credit facility (the "Facilities"). The Facilities are available on a revolving basis until May 29, 2015 and may be extended for a further 364 day period, subject to approval by the syndicate. If not extended, the Facilities will cease to revolve, the applicable margins will increase by 0.5% and all outstanding advances will be repayable on May 29, 2016.

The available lending limits of the Facilities are reviewed semi-annually based on the syndicate's interpretation of the Company's reserves, future commodity prices and costs. At the last review of the Facilities, the syndicate determined the Company's borrowing base was \$220 million and the Facilities were amended whereby Cardinal may request an increase in the Facilities up to the borrowing base. As the available lending limit of the Facilities is based on the syndicate's interpretation of the Company's reserves and future commodity prices and costs, there can be no assurance that the amount of the Facilities will not decrease at the next scheduled review.



Advances under the Facilities are available by way of either prime rate loans which bear interest at the banks' prime lending rate plus 1.0 to 2.5% and bankers' acceptances and/or LIBOR loans, which are subject to fees and margins ranging from 2.0 to 3.5%. Interest and standby fees on the undrawn amounts of the Facilities depend upon the Company's debt to EBITDA ratio. The Facilities are secured by a general security agreement over all of the Company's assets and Cardinal must maintain an adjusted working capital ratio of not less than 1 to 1 at all times. The working capital ratio is defined as current assets (plus the undrawn amount under the Facilities) divided by current liabilities (less any current portion of bank debt) and excluding the fair value of commodity contracts. Cardinal was in compliance with the terms of the Facilities at March 31, 2015. For the three months ended March 31, 2015 the effective interest rate on the Company's bank debt was 3.7% (2014 – 4.0%).

## 6 DECOMMISSIONING OBLIGATION

	Three months ended		Year ended	
	March 31, 2015		December 31, 2014	
Balance, beginning of period	\$	79,781	\$	40,384
Liabilities incurred		-		106
Liabilities acquired		-		29,260
Liabilities divested		-		(61)
Change in estimates		-		7,387
Decommissioning expenditures		(457)		(997)
Accretion		1,395		3,702
Balance, end of period		80,719		79,781
Less current portion		(1,800)		(1,788)
	\$	78,919	\$	77,993

The Company's decommissioning obligation results from its ownership interest in crude oil and natural gas assets including well sites, facilities and gathering systems. At March 31, 2015, the total estimated amount to settle Cardinal's decommissioning obligation was \$245.5 million (2014 - \$245.9 million) on an uninflated and undiscounted basis and \$431.4 million (2014 - \$431.8 million) on an inflated and undiscounted basis. The decommissioning obligation was determined by applying an inflation factor of 2% (2014 - 2%) and discounting the inflated amount using Cardinal's credit-adjusted rate of 7.0% (2014 – 7.0%) over the expected useful life of the underlying assets of 20 to 35 years.

## 7 SHARE CAPITAL AND WARRANTS

At March 31, 2015, the Company was authorized to issue an unlimited number of common voting shares without nominal or par value. Holders of common shares are entitled to one vote per share.





	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of shares	Amount	Number of shares	Amount
Common shares, beginning of period	56,819,301	\$ 711,518	34,875,532	\$ 315,041
Issue of common shares	-	-	20,987,500	388,300
Issued pursuant to SARs	-	-	30,496	320
Settlement of RAs	318,610	3,511	-	-
Issued pursuant to SDP and DRIP	81,909	1,099	212,763	3,412
Exercise of options and warrants	114,099	674	713,010	4,445
Common shares, end of period	57,333,919	\$ 716,802	56,819,301	\$ 711,518
Cummulative share issue costs, net of tax	-	(25,230)	-	(25,230)
Total shareholders' capital, end of period	57,333,919	\$ 691,572	56,819,301	\$ 686,288

### Warrants

In 2012 Cardinal issued 2,833,333 units consisting of one common share and one half warrant (1,416,654 warrants) at \$3.00 per unit. The warrants vest equally over five years, with the first vesting date on December 31, 2012 and on December 31 of each year thereafter. The warrants are exercisable at \$3.00 per warrant subject to an adjustment for dividends declared which reduced the exercise price at March 31, 2015 to \$2.83 and increased the number of warrants then outstanding (note 9).

### Earnings (loss) per share

	Three months ended March 31,	
	2015	2014
Net earnings (loss) for the period	\$ (12,847)	\$ 897
Weighted average number of common shares		
Basic	57,196,670	36,501,986
Diluted	57,196,670	38,552,025

For the three months ended March 31, 2015, 1,481,510 RAs (2014 – 42,794), 750,158 warrants (2014 – nil), 207,505 options (2014 – 24,999) and 61,004 SARs (2014 – nil) were excluded from the calculation of diluted earnings (loss) per share as their effect was anti-dilutive.

## 8 DIVIDENDS

The Company has adopted a dividend reinvestment plan (“DRIP”) and a stock dividend program (“SDP”) which enable shareholders to receive dividends in common shares rather than cash.

During the three months ended March 31, 2015, \$12.0 million of dividends (\$0.21 per common share) were declared of which \$7.3 million was paid in cash, \$4.0 million was recognized as a liability at March 31, 2015 and \$0.7 million was recognized on the issuance of 52,785 common shares pursuant to the DRIP and SDP. The dividend payable was settled on April 15, 2015 with cash of \$3.7 million and \$0.3 million was recognized on the issuance of 16,028 Cardinal common shares pursuant to the DRIP and SDP.

## 9 SHARE-BASED COMPENSATION

The maximum number of common shares issuable under the Company’s stock option plan, restricted bonus award plan and standalone grant of stock appreciation rights, in aggregate, cannot exceed five percent of the outstanding common shares.



## Stock Options

The Company has a stock option plan that entitles officers, directors and employees to purchase common shares in the Company. Stock options are granted at the market price of the common shares at the date of grant and vest equally over three years with each tranche expiring three years following the vesting date. The following tables summarize information about stock options outstanding at March 31, 2015:

	Number of stock options	Weighted average exercise price
Balance at January 1, 2014	442,492	\$ 7.19
Exercised	(176,656)	\$ 6.85
Forfeited	(40,000)	\$ 6.75
Balance at December 31, 2014	225,836	\$ 7.54
Exercised	(18,331)	\$ 6.80
<b>Balance at March 31, 2015</b>	<b>207,505</b>	<b>\$ 7.60</b>

Options Outstanding				Options Exercisable			
Exercise price per share	Number of options	Weighted average exercise price	Weighted average remaining life (years)	Number of options	Weighted average exercise price	Weighted average remaining life (years)	
\$ 6.75	146,115	\$ 6.75	3.3	43,331	\$ 6.75	2.5	
\$ 8.25	23,890	\$ 8.25	3.5	5,555	\$ 8.25	2.9	
\$ 10.50	37,500	\$ 10.50	3.5	12,501	\$ 10.50	2.5	
	<b>207,505</b>	<b>\$ 7.60</b>	<b>3.3</b>	<b>61,387</b>	<b>\$ 7.65</b>	<b>2.5</b>	

## Warrants

	Number of Warrants
Balance at January 1, 2014	1,408,655
Exercised	(535,140)
Forfeited	(74,998)
Adjustment for dividends declared	36,173
Balance at December 31, 2014	834,690
Exercised	(90,888)
Adjustment for dividends declared	6,356
<b>Balance at March 31, 2015</b>	<b>750,158</b>

At March 31, 2015, 205,849 warrants (adjusted for dividends) were exercisable at a price of \$2.83 per warrant and the weighted average remaining life of the warrants was 2.3 years.

## Restricted Bonus Awards ("RAs")

The Company has a restricted bonus award plan whereby awards may be granted to officers, directors and employees. Awards granted according to the plan vest equally over three years from the date of grant and expire on December 15<sup>th</sup> of the third year following the year in which the award was granted. Awards are adjusted for dividends declared and are to be settled with either cash, common shares or a combination thereof at the Company's discretion.



	Number of RAs
Balance at January 1, 2014	-
Granted	1,089,112
Forfeited	(123,519)
Balance at December 31, 2014	965,593
Granted	832,578
Exercised	(302,262)
Forfeited	(14,399)
<b>Balance at March 31, 2015</b>	<b>1,481,510</b>

The fair value of the RAs was determined based on the value of the Company's common shares at the grant date. The weighted average market price of the Company's common shares used to value the RAs granted during the three months ended March 31, 2015 was \$12.30 (2014 - \$11.61).

#### **Stock Appreciation Rights ("SARs")**

On November 1, 2013, the Company granted an aggregate of 102,000 SARs to certain directors, officers and employees of the Company. The SARs were standalone grants and were not issued under a formal stock appreciation rights plan. Each SAR entitles the holder to receive one common share for each SAR granted including an adjustment for dividends declared. SARs granted vest equally over three years from the grant date. The fair value of the SARs was determined based on the value of the Company's common shares of \$10.50 per share at the grant date. During the three months ended March 31, 2015, no SARs were forfeited nor settled and at March 31, 2015, 61,004 SARs were outstanding.

#### **Share-based Compensation**

Share-based compensation for the three months ended March 31, 2015 of \$2.3 million (2014 - \$1.6 million) was expensed and \$0.3 million (2014 - \$0.2 million) was capitalized.

## **10 FINANCIAL RISK MANAGEMENT**

Cardinal's financial assets and liabilities consist of trade and other receivables, trade and other payables, risk management assets and liabilities, dividends payable and bank debt. Risk management assets and liabilities arise from the use of derivative financial instruments.

The Company classifies the fair value of financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

**Level 1** - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

**Level 2** - Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

**Level 3** - Fair value is based on inputs for the asset or liability that are not based on observable market data.

#### *Carrying amount and fair value of financial assets and liabilities*

Trade and other receivables are classified as financial assets at amortized cost and are reported at amortized cost. Trade and other payables, dividends payable and bank debt are classified as financial liabilities at amortized cost and are reported at amortized cost. The fair values of trade and other receivables, trade and other payables and dividends payable approximate their carrying amount due to the short-term maturity of these instruments. The fair value of bank debt approximates the carrying amount due to the floating rate of interest and the margin charged by the syndicate is indicative of current credit spreads.



As at March 31, 2015, the only asset or liability measured at fair value was risk management, which was classified as Level 2.

#### Commodity price risk

The Company is exposed to commodity price risk on petroleum and natural gas sales as well as power on electricity consumption. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the Canadian and United States dollar, but also by world economic events that dictate the levels of supply and demand.

At March 31, 2015 there were no physical sale contracts and the Company had the following commodity and power financial derivative contracts outstanding:

Remaining Term	Average Volume	Option Traded	Index	Average Strike Price	Fair Value
April 1, 2015 - June 30, 2015	500 bbl/d	Swap	CAD WTI	\$ 103.00	1,816
April 1, 2015 - December 31, 2015	1,200 bbl/d	Swap	CAD WTI	\$ 86.36	6,249
January 1, 2016 - December 31, 2016 <sup>(1)</sup>	500 bbl/d	Swap	CAD WTI	\$ 75.25	206
April 1, 2015 - June 30, 2015	500 bbl/d	Collar - put	CAD WTI	\$ 95.00	1,452
		Collar - call	CAD WTI	\$ 106.28	-
April 1, 2015 - December 31, 2015	2,250 bbl/d	Collar - put	CAD WTI	\$ 95.28	17,850
		Collar - call	CAD WTI	\$ 105.48	(106)
July 1, 2015 - June 30, 2016	500 bbl/d	Collar - put	CAD WTI	\$ 70.00	1,340
		Collar - call	CAD WTI	\$ 78.00	(816)
April 1, 2015 - December 31, 2015	1,000 gj/d	Swap	CAD AECO	\$ 3.65	281
					28,272

  

Remaining Term	Quantity	Option Traded	Average Strike Price	Fair Value
April 1, 2015 - December 31, 2015	6.55 MW/hr	Swap	\$ 51.67	(670)
April 1, 2015 - December 31, 2016	5.00 MW/hr	Swap	\$ 39.96	(309)
January 1, 2016 - December 31, 2016	2.00 MW/hr	Swap	\$ 38.62	(63)
				(1,042)

(1) Cardinal granted an option to the counterparty to put Cardinal into a swap on December 31, 2016 for 500 bbl/d at \$80 CAD WTI (indexed to WTI) for the period January 1, 2017 to December 31, 2017 that had a fair value liability of \$1.1 million.

Operating costs for the three months ended March 31, 2015 include a realized loss on power contracts of \$504 (2014 – gain of \$60).

Cardinal limits its credit risk by executing counterparty risk procedures which include transacting only with members of the syndicate for our credit facilities or institutions with high credit ratings and by obtaining financial security in certain circumstances. Based on March 31, 2015 commodity prices, a \$1 per barrel change in the price of crude oil would have changed earnings before tax by \$0.4 million (2014 – \$0.8 million) and a \$0.10 per gigajoule change in the price of natural gas would have changed earnings before tax by \$0.03 million (2014 – \$0.04 million).

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The financial liabilities on the balance sheet consist of trade and other payables, dividends payable, and bank debt. Trade and other payables and dividends payable are considered due within one year. Bank debt is considered due between one and two years (see note 5). The Company anticipates it will continue to have adequate liquidity to fund its financial liabilities and it has had no defaults or breaches on its financial liabilities.



At March 31, 2015, the contractual maturities of Cardinal's obligations were as follows:

	2015	2016	2017	2018	2019	Thereafter
Head office lease	802	1,070	1,070	1,070	1,070	4,280
Field office lease	98	130	130	130	22	-
Trade and other payables	24,107	-	-	-	-	-
Dividends payable	4,013	-	-	-	-	-
Bank debt	-	40,095	-	-	-	-
	<b>\$ 29,020</b>	<b>\$ 41,295</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>	<b>\$ 1,092</b>	<b>\$ 4,280</b>

## 11 SUBSEQUENT EVENTS

On **April 13, 2015**, the Company confirmed that a dividend of \$0.07 per common share will be paid on May 15, 2015 to shareholders of record on April 30, 2015. The total amount of dividends declared at April 30, 2014 was \$4.0 million.

On **April 15, 2015**, the Company acquired all of the issued and outstanding common shares of Pinecrest Energy Inc. ("Pinecrest") pursuant to an Arrangement Agreement (the "Arrangement") with Pinecrest and a newly formed publicly listed company, Virginia Hills Oil Corp ("Virginia Hills"). Pursuant to the Arrangement, Pinecrest transferred certain assets and liabilities to Virginia Hills and Cardinal acquired the common shares of Pinecrest from Virginia Hills for cash consideration of \$23.5 million. Pinecrest had no debt or outstanding liabilities to be assumed by Cardinal.

Cardinal will pay Virginia Hills additional cash consideration of \$5 million if at any point during the period from April 16, 2015 to April 26, 2016 the then 12 month forward price curve is equal to or greater than USD \$65 per bbl WTI.

On **May 11, 2015**, the Company confirmed that a dividend of \$0.07 per common share will be paid on June 15, 2015 to shareholders of record on May 29, 2015.

Subsequent to March 31, 2015, Cardinal entered into the following derivative commodity contracts:

Term	Volume	Option Traded	Index	Strike Price
July 1, 2015 - June 30, 2016	500 bbl/d	Swap	CAD WTI	\$ 75.00
July 1, 2015 - June 30, 2016	500 bbl/d	Swap	CAD WTI	\$ 77.00
January 1, 2016 - December 31, 2016	500 bbl/d	Swap	CAD WTI	\$ 77.00
January 1, 2016 - December 31, 2016	500 bbl/d	Swap	CAD WTI	\$ 77.75
January 1, 2016 - December 31, 2017	500 bbl/d	Swap	CAD WTI	\$ 78.60

