

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN  
THE UNITED STATES OF AMERICA.**



**NEWS RELEASE**

**TSX Venture Exchange: PRY  
Toronto Stock Exchange: CJ**

**PINECREST ENERGY INC. AND CARDINAL ENERGY LTD. ANNOUNCE CLOSING OF  
PLAN OF ARRANGEMENT**

**April 15, 2015 – Calgary, Alberta** – Pinecrest Energy Inc. ("**Pinecrest**" or the "**Company**") and Cardinal Energy Ltd. ("**Cardinal**") announce the completion of the previously announced reorganization of the business of Pinecrest pursuant to a plan of arrangement involving Cardinal, Virginia Hills Oil Corp. ("**Virginia Hills**"), the Company and the Company's shareholders (the "**Arrangement**") under the *Business Corporations Act* (Alberta) (the "**Arrangement**").

Under the terms of the Arrangement, approximately 90% of the oil and gas assets previously owned and operated by Pinecrest have been transferred to Virginia Hills and all of the outstanding shares of Pinecrest ("**Pinecrest Shares**") have been sold to Cardinal together with certain assets for aggregate consideration of \$23.5 million.

Virginia Hills will be entitled to an additional payment of \$5 million in cash if, during the period beginning on April 16, 2015 and ending on April 26, 2016, a front month hedge is made available to Cardinal by one or more financial institutions, financial intermediaries or credit branches at a price of US\$65/Bbl WTI for a minimum term of 12 months.

Virginia Hills' management team will be led by Mr. Colin Witwer, as President and Chief Executive Officer, Ms. Tracie Noble as Vice President, Finance and Chief Financial Officer, Mr. Brent Conrad as Vice President, Engineering and Chief Operating Officer and Ms. Susan McNutt as Manager of Land. Following the Effective Time, the board of directors of Virginia Hills will consist of Messrs. Colin Witwer, John Brussa, Howard Crone, David Johnson and Robert Zakresky, all of whom (other than Mr. Witwer) are currently directors of Pinecrest.

Registered holders of Pinecrest Shares (the "**Pinecrest Shareholders**") are encouraged to complete, execute and submit the Letter of Transmittal included in the accompanying materials sent to Pinecrest Shareholders for the special meeting of Pinecrest Shareholders held on March 19, 2015 as soon as possible. **The rights issued to former Pinecrest Shareholders under the Arrangement will expire on May 15, 2015.** Any questions and requests for assistance in respect of the Letter of Transmittal may be directed to Valiant Trust Company at its telephone numbers and locations set out in the Letter of Transmittal.

For further information please contact:

**Virginia Hills Oil Corp.**  
Suite 500, 255 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3G6

Tracie Noble  
Chief Financial Officer

Tel: (403) 817-2551 or  
Fax: (403) 817-2599

**Cardinal Energy Ltd.**  
Suite 600, 400 – 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 4H2

M. Scott Ratushny  
President, Chief Executive officer and Chairman

Tel: (403) 216-2706 or  
Fax: (403) 234-0603

OR

Douglas Smith  
Chief Financial Officer  
Tel: (403) 216-2709

OR

Laurence Broos  
Vice President, Finance  
Tel: (403) 727-2021

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*