



## Pinedale Energy Provides Operations Update

**May 11, 2018 - Vancouver, British Columbia – Pinedale Energy Limited (“Pinedale” or the “Company”)** (TSXV: MCF) is pleased to provide an update on current development and exploration activities occurring at the Company’s non-operated working interest properties situated in the Pinedale gas field area, southwest Wyoming.

### Highlights

- 3 rigs actively developing horizontal wells at Warbonnet
- Horizontal Drilling and Spacing Unit applied for at Mesa

### Operations Update

#### Horizontal wells

With the successful development of the prolific Warbonnet 9-23-A-1H horizontal well in November 2017 the Company’s Warbonnet area operator has accelerated a horizontal program focussed on the Lower Lance interval. Currently 3 drill rigs are situated on separate simultaneous operations pads (“**SIMOPS Pads**”) and actively drilling within horizontal drilling and spacing units (“**Horizontal DSU’s**”) that include the Company’s Warbonnet area leasehold. Descriptions of Pinedale interest well commitments and Pinedale interest Horizontal DSU’s are summarized as follows.

#### 9-23 SIMOPS Pad

Pinedale owns a 7.94% non-operated working interest in a 1,595-acre Horizontal DSU established in August 2017 and wells are developed eastward from the Warbonnet 9-23 SIMOPS Pad.

Pinedale has participated in 4 horizontal wells that include the Warbonnet 9-23-A-1H, which is producing, the Warbonnet 9-23-A-3H, which has been developed and flowing on test since early April 2018, and the Warbonnet 9-23-5H and Warbonnet 9-23-11H wells, which are currently undergoing development. The Warbonnet 9-23-A-3H has a lateral length of 10,900 feet, a net to gross sand ratio of 47%, was designed with 33 frac stages and realized a 24-hour initial production rate (“**IP**”) of 11.7 million cubic feet of natural gas equivalent (“**MMcfe**”) per day including a condensate yield of 14 barrels per million cubic feet of natural gas.

In mid-April Pinedale received Authority for Expenditure (“**AFE**”) requests to drill 2 additional wells, the Warbonnet 9-23-7H and Warbonnet 9-23-17H, and Pinedale is required to provide AFE election responses to the operator by May 19. The estimated gross cost of each AFE received in 2018 is US\$9.47 million per well, or approximately US\$752 thousand net to Pinedale’s interest per well.

To date Pinedale has non-consented AFE requests to develop 2 horizontal wells associated with the 9-23 SIMOPS Pad, the Warbonnet 9-23-A-2H and Warbonnet 9-23-M-1H which were both non-consented in 2017.

### 7-23 SIMOPS Pad

Pinedale owns a 4.04% non-operated working interest in a 1,598-acre Horizontal DSU established in March 2018 and wells are being developed westward from the Warbonnet 7-23 SIMOPS Pad.

In April 2018 Pinedale elected to participate in 1 AFE horizontal well, the Warbonnet 7-23-4H, and non-consent 3 AFE's foregoing participation in the Warbonnet 7-23-3H, Warbonnet 7-23-2H, and Warbonnet 7-23-1H horizontal wells. The estimated gross cost of the Warbonnet 7-23-4H AFE was US\$9.1 million, or approximately US\$368 thousand net to Pinedale's interest. The Warbonnet 7-23-4H has subsequently been developed and has been flowing on test since early May 2018.

### 8-25 SIMOPS Pad

The Warbonnet area operator applied for approval at a hearing with the Wyoming Oil and Gas Conservation Commission held on May 8, 2018 for a new 1,923-acre Warbonnet area Horizontal DSU. Pinedale's non-operated working interest in the Horizontal DSU is 13.78% and horizontal wells will be developed westward from the 8-25 SIMOPS Pad.

In April Pinedale received AFE requests to drill 4 horizontal wells, the Warbonnet 8-25W-4H, Warbonnet 8-25W-3H, Warbonnet 8-25W-2H, and Warbonnet 8-25W-1H wells and Pinedale is required to provide its AFE election responses to the operator by May 26. The estimated gross cost of each AFE is US\$9.47 million per well, or approximately US\$1.23 million net to Pinedale's interest per well.

### Mesa Area Horizontal DSU

The operator applied for approval at a hearing with the Wyoming Oil and Gas Conservation Commission held on May 8, 2018 for a new 1,506-acre Mesa area Horizontal DSU that includes a portion of the Company's Mesa area leasehold. Pinedale's non-operated working interest in the Mesa Horizontal DSU is estimated to be 11.91%.

### **Vertical wells**

In early April vertical well Warbonnet 14D2-25D was completed and turned in line to sales. With the new well, Pinedale has developed a total of 5 additional vertical wells since the beginning of the year and initial 24-hour production rates have averaged 8.6 MMcf per day per well. Pinedale's working interest in each well is 21.25%.

### **Outlook**

Pinedale's AFE election decisions are influenced by considerations that include internally generated projections of internal rates of returns, access to capital, well development scenarios and alternative well proposals. Pinedale evaluates AFE well proposals on a case by case basis and is required to make an AFE election within a 30-day election period following receipt of an AFE pursuant to operating agreements applicable to Pinedale's properties. Pinedale has non-consented proposed horizontal AFE's due to capital constraints and challenges resulting from concurrent multi-rig drilling operations underway at Warbonnet. Pinedale is investigating alternative financing options that may enable Pinedale to maintain or retain interests in AFE well proposals opportunities rather than making non-consent election decisions necessitated because of insufficient capital.

Pinedale's inventory of producing wells at year-end 2017 totaled 17 wells (3.404 net). With wells developed in 2018, Pinedale's current inventory of producing wells is 24 wells (4.587 net).

## About Pinedale Energy Limited

Pinedale Energy Limited is an independent oil and gas exploration and production company focused exclusively on its natural gas properties situated in the prolific Pinedale field area, within the Green River Basin of southwestern Wyoming. Pinedale, through its subsidiaries, owns non-operated interests in 17 oil and gas leases with an undivided working interest ranging from 11.56% to 21.25% in approximately 11,994 acres. At year-end 2017, the Company had gross proved reserves of approximately 43.7 billion cubic feet of gas and 434 thousand barrels of field condensate (46.3 billion cubic feet equivalent); 77% undeveloped.<sup>1</sup>

The Class A common shares of Pinedale Energy Limited are listed for trading on the TSX Venture Exchange under the symbol "MCF." Additional information on Pinedale Energy Limited is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.PinedaleEnergy.com](http://www.PinedaleEnergy.com)

For further information, please contact:

Chris Schultze  
Chief Operating Officer  
Info@PinedaleEnergy.com

Pinedale Energy Limited  
Suite 650 - 669 Howe Street,  
Vancouver, BC, Canada, V6C 0B4

1. Report of Netherland Sewell & Associates with an effective date of December 31, 2017 prepared in accordance with the definitions and guidelines set forth in the Canadian Oil and Gas Evaluation Handbook and in accordance with NI 51-101.

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

*Certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "will be", "estimated", "may", "outlook", or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements regarding the development of horizontal wells westward from the 8-25 SIMOPS Pad, the estimated gross cost of AFEs, the Company's outlook on AFE decisions and ability to maintain or retain interests in AFE well proposal opportunities are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Pinedale to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. The Company received AFE's for the six horizontal wells in April. There is no guarantee the Company will elect to participate in the AFEs for these six wells. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Pinedale will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.*