Bonterra Energy Announces Closing of $135 Million Senior Secured Second Lien Note Offering

CALGARY, AB, Jan. 28, 2025 /CNW/ – Bonterra Energy Corp. (TSX: BNE) ("**Bonterra**" or the "**Company**") is pleased to announce the closing of its previously announced private placement offering (the "**Offering**") of $135 million aggregate principal amount of Senior Secured Second Lien Notes due 2030 (the "**Notes**"). The Notes were priced at $981.16 per $1,000 of principal amount of Notes, will accrue interest at the rate of 10.50% per annum and will have a five year term, maturing on January 28, 2030. The Notes carry a Morningstar DBRS rating of B with a stable trend.

Concurrent with the closing of the Offering, Bonterra confirms that it has repaid in full amounts owing under the second lien term loan. The remainder of the net proceeds have been used to repay the amount then drawn under the Company's revolving first lien credit facility and to pay related transaction expenses. Bonterra anticipates that it will draw on its revolving first lien credit facility to fund the redemption of its senior unsecured debentures, as more particularly described below.

In connection with the closing of the Offering, the Company issued a notice of redemption (the "**Redemption Notice**") on January 27, 2025 for all of its outstanding 9.00% senior unsecured debentures due October 20, 2025 (the "**Debentures**"). The Redemption Notice is being distributed by Odyssey Trust Company pursuant to the terms of the indenture governing the Debentures. As set forth in the Redemption Notice, the redemption date is February 26, 2025 (the "**Redemption Date**"), and the redemption price will be $1,072.50 per $1,000.00 principal amount of the Debentures, which includes accrued and unpaid interest to but excluding the Redemption Date and an amount equal to the interest that would have been payable, if the Debentures had not been redeemed, for the period from and including the Redemption Date to the maturity date.

"We are pleased with the successful completion of Bonterra's Canadian high yield debt offering as a first time issuer", said Patrick Oliver, Bonterra's President & Chief Executive Officer, "the placement of the Offering was well subscribed to and distributed amongst multiple investors, and has resulted in new institutional investor interest in the Bonterra story".

The closing of the Offering successfully accomplishes a significant business priority for Bonterra by solidifying the repayment of the Company's two upcoming maturities on its outstanding junior debt. The combination of (i) the Company's revolving first lien credit facility, syndicated by its supportive banking partners, and (ii) the new Notes, provides Bonterra with a go-foward debt capital structure that is long term, simplified and more flexible in nature.

The Company is now better positioned to carry out its business plan of developing the Cardium, Charlie Lake and Montney assets, in addition supporting its acquisition strategy through enhanced near term and long term liquidity and access to capital.

The Offering was underwritten by CIBC Capital Markets and ATB Capital Markets, as joint active bookrunners, in a syndicate that included RBC Capital Markets as joint passive bookrunner.

The Notes were offered for sale in each of the provinces of Canada to "accredited investors" on a private placement basis in accordance with Canadian securities laws. The Notes have not been, and will not be, qualified for distribution in Canada by a prospectus and are being offered and sold in Canada only pursuant to exemptions from the prospectus requirements of Canadian securities laws. The Notes have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States or to a U.S. Person (as defined in Regulation S under the U.S. Securities Act).

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation, or sale would be unlawful.

ABOUT BONTERRA

Bonterra Energy Corp. is a conventional oil and gas corporation forging a grounded path forward for Canadian energy. Operations include a large, concentrated land position in Alberta's Pembina Cardium, one of Canada's largest oil plays. Bonterra's liquids-weighted Cardium production provides a foundation for implementing a return of capital strategy over time, which is focused on generating long-term, sustainable growth and value creation for shareholders. Emerging Charlie Lake and Montney resource plays are expected to provide enhanced optionality and an expanded potential development runway for the future. Our shares are listed on the Toronto Stock Exchange under the symbol "BNE" and we invite stakeholders to follow us on LinkedIn and X (formerly Twitter) for ongoing updates and developments.

Forward Looking Information

Certain statements contained in this release include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this release includes information relating to the Offering of Notes and the use of proceeds therefrom, including the redemption of the Debentures, and the Company’s go-forward debt capital structure and business plans.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may include, without limitation: potential changes in the regulatory and legislative environment; political uncertainty and instability in North America and internationally; volatility in interest and tax rates; operating risks inherent in the oil and gas industry; changes in general economic conditions including the capital and credit markets; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations and the stability of general economic conditions. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived therefrom. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained herein is expressly qualified by this cautionary statement.

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