Bonterra Energy Announces First Quarter 2025 Results and Operations Update

The Company Achieves Record Production, Completes Balance Sheet Refinancing, Announces an Increase to First Lien Revolving Credit Facility and Subsequent to Quarter End Delivers its Highest Rate Charlie Lake Wells to Date

CALGARY, AB, May 15, 2025 /CNW/ – Bonterra Energy Corp. (TSX: BNE) ("Bonterra" or the "Company") is pleased to announce its financial and operating results for the three-month period ended March 31, 2025. The related unaudited condensed financial statements and notes for the first quarter, as well as management's discussion and analysis ("MD&A"), are available on SEDAR+ at www.sedarplus.ca and on Bonterra's website at www.bonterraenergy.com.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

As at and for the three months ended ($000s except $ per share)	**March 31, 2025**	December 31, 2024	March 31, 2024
FINANCIAL			
Revenue – realized oil and gas sales	**70,690**	69,699	68,589
Funds flow [(1)]	**27,635**	30,100	27,018
Per share – basic	**0.74**	0.81	0.73
Per share – diluted	**0.73**	0.81	0.72
Cash flow from operations	**29,614**	28,587	21,654
Per share – basic	**0.79**	0.77	0.58
Per share – diluted	**0.78**	0.77	0.58
Net earnings (loss)[(2)]	**(7,610)**	(2,213)	848
Per share – basic	**(0.20)**	(0.06)	0.02
Per share – diluted	**(0.20)**	(0.06)	0.02
Capital expenditures	**32,450**	22,438	32,924
Oil and gas property acquisition[(3)]	**–**	–	24,234
Total assets	**978,798**	975,043	984,464
Working capital deficiency	**30,500**	12,578	34,284
Long-term debt	**155,602**	137,253	142,076
Net debt[(4)]	**186,102**	167,210	176,360
Bank debt	**24,209**	46,211	38,688

Shareholders' equity		**533,830**	540,639	529,605
OPERATIONS				
Light oil	-bbl per day	**6,546**	6,588	6,622
	-average price ($ per bbl)	**91.22**	92.11	88.96
NGLs	-bbl per day	**1,679**	1,625	1,468
	-average price ($ per bbl)	**45.39**	48.97	46.08
Conventional natural gas	-MCF per day	**46,390**	44,436	36,594
	-average price ($ per MCF)	**2.42**	1.60	2.65
Total BOE per day		**15,957**	15,619	14,189

(1) Funds flow, while not recognized under IFRS®, is used by management to assess the Company's ability to generate cash from operations. For these purposes, the Company defines funds flow as funds provided by operations including proceeds from sale of investments and investment income received excluding the effects of changes in non-cash working capital items and decommissioning expenditures settled. See "Non-IFRS and Other Financial Measures".

(2) Net loss for the three months ended March 31, 2025, primarily reflects a one-time debt extinguishment cost of $11.6 million.

(3) On March 1, 2024, the Company acquired the Charlie Lake Assets for cash consideration of $23.6 million and $0.3 million in non-core mineral rights, including closing adjustments. The Charlie Lake Assets has been accounted for as an asset acquisition, which resulted in an increase of $24.2 million in PP&E and the assumption of $0.3 million in decommissioning liabilities.

(4) Net debt is not a recognized measure under IFRS. The Company defines net debt as current liabilities less current assets plus long-term bank debt, subordinated debentures, subordinated term debt and subordinated notes. See "Non-IFRS and Other Financial Measures".

(5) BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

FINANCIAL & OPERATING HIGHLIGHTS

- **Production** achieved record quarterly levels in the first quarter of 2025 averaging 15,957 BOE per day, an increase of 12 percent from the first quarter of 2024, driven by strong continued production results delivered from the Company's 2024 capital program and successful Cardium drilling and reactivation programs in the first quarter; production from the Company's latest three-well pad in the Charlie Lake contributed negligible production in the first quarter.
- **Funds flow**[1] totaled $27.6 million ($0.73 per diluted share) in the first quarter of 2025.
- **Field netback and cash netback**[1] averaged $24.65 per BOE and $19.23 per BOE, respectively, driven by Bonterra's light oil and NGL weighted production base.
- **Production costs** averaged $17.90 per BOE reflecting an increased well reactivation program in the Cardium.
- **Capital expenditures** totaling $32.5 million, of which approximately 70 percent represented the Company's latest three-well pad and associated battery, water disposal well, compression and pipeline infrastructure in the north region of the Company's

Charlie Lake play. The remaining capital was primarily focused towards bringing online two operated Cardium oil wells and non-operated activities.

- **Debt Refinancing** completed on January 28, 2025, where the Company achieved a full balance sheet refinancing through closing a private placement offering of $135 million of Senior Secured Second Lien Notes.
- **Minor Non-Core Asset Dispositions** included closing the sale of certain properties, which represents an exit from the province of Saskatchewan for the Company, for a total cash consideration of $1.7 million.
- **Net debt**[1] totaled $186.1 million as at March 31, 2025, an increase of 11 percent from Q4 2024 primarily due to a front-loaded capital program and the one-time debt restructuring costs, representing 1.3x net debt to EBITDA multiple.
- **Normal Course Issuer Bid** has been approved, subsequent to quarter end, by the Toronto Stock Exchange where the Company may purchase a maximum of 3,199,449 common shares representing 10 percent of its public float over a twelve-month period ending April 14, 2026. In the month of April, the Company purchased 106,600 common shares for cancellation.
- **First Lien Revolving Credit Facility** was extended with an increased borrowing base capacity of $125 million subsequent to quarter end.

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[1] Non-IFRS measure. See advisories later in this press release.

OPERATIONS UPDATE

Charlie Lake

The Company successfully expanded its Charlie Lake operations north of the Peace River with the drilling and completion of a three-well horizontal pad and construction of a new oil battery, pipeline and water disposal well, ahead of schedule and on budget. Production from the new three-well pad commenced subsequent to the end of the first quarter. Initial production from the three-well pad has achieved 30-day peak rates at a combined 2,650 BOE per day, including approximately 725 barrels per day of light crude oil, 125 barrels per day of natural gas liquids and 10.8 mmcf per day of conventional natural gas. These latest three wells represent the highest productivity rates to date that Bonterra has drilled. Current net production from the Charlie Lake asset is approximately 3,750 BOE per day.

Montney

The Company continues to be very encouraged with the early results from its latest Montney well, flowing unrestricted at current rates of approximately 810 BOE per day, including approximately 275 barrels per day of light crude oil, 2.7 mmcf per day of conventional natural gas and 88 barrels per day of natural gas liquids. The second Montney well has cumulatively produced 52,500 barrels of light crude oil, 334 mmcf of conventional natural

gas and 12,760 barrels of natural gas liquids over a six-month period. Current net production from the Montney asset is approximately 1,330 BOE per day.

The Montney remains an important asset in the Company's portfolio for enhancing shareholder value. The Company's plan to continue to monitor the progress of production results from its Montney wells drilled to date and assess long term egress solutions over the coming quarters before allocating further capital to the Montney play remains unchanged.

STRENGTHENED FINANCIAL POSITION

Significant steps were taken to strengthen Bonterra's financial position in the first quarter. In January 2025, the Company closed a private placement offering of $135 million Senior Secured Second Lien Notes with five-year term. Upon closing, proceeds were used to repay in full Bonterra's second lien subordinated term debt and reduce borrowings under its revolving credit facility. Following this, the Company redeemed its subordinated debentures in full in February 2025. The repayment of the Company's two tranches of subordinated debt successfully accomplished a significant business priority for Bonterra in 2025. The combination of (i) the Company's revolving first lien credit facility, syndicated by its supportive banking partners, and (ii) the new Senior Secured Second Lien Notes, provides Bonterra with a go-forward debt capital structure that is long term, simplified and more flexible in nature.

Subsequent to quarter end, Bonterra extended and increased its revolving credit facility to $125 million, under improved terms and conditions.

These steps provide enhanced near and long term liquidity and access to capital for Bonterra to execute its business plan of developing the Cardium, Charlie Lake and Montney assets, in addition to supporting its acquisition strategy.

RETURN-OF-CAPITAL

Following the steps taken on improving the Company's debt capital structure, Bonterra, on April 11, 2025, announced that the Toronto Stock Exchange ("TSX") had accepted its notice of intention to commence a Normal Course Issuer Bid ("NCIB") program. Under the NCIB, Bonterra may purchase up to a maximum of 3,199,449 common shares, representing approximately 10 percent of the public float, until April 14, 2026. The total number of common shares permitted to be purchased is subject to a daily purchase limit of 10,953 common shares. Bonterra is of the view that its intrinsic value is not being reflected in the current share price and as such, the NCIB is designed to underpin the Company's market valuation, enhance per share metrics for shareholders and provide a source of liquidity as may be needed. In the month of April, the Company purchased 106,600 common shares for cancellation.

OUTLOOK

Bonterra's operational momentum built in 2024 has continued into 2025 through the successful execution of its first quarter capital program and associated production performance. Early results of the first quarter capital program have exceeded internal expectations and provide the Company with optionality in its capital program for the remainder of the year, accordingly the originally planned second quarter drilling program will be deferred to the second half of 2025 pending the prevailing commodity price environment.

The Company's capital guidance remains unchanged at $65 million to $75 million with production tracking above the upper end of guidance of 14,800 BOE per day.

Bonterra's priorities for the remainder of 2025 include the continued execution of a successful capital program to optimize production and returns, generate free funds flow to facilitate debt reduction, fund its NCIB from a debt neutral position, and continue to pursue strategic acquisitions within its core areas to enhance scale and cost efficiencies.

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. The 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.

Cautionary Statements

This summarized news release should not be considered a suitable source of information for readers who are unfamiliar with Bonterra Energy Corp. and should not be considered in any way as a substitute for reading the full first quarter report. For the full report, please go to www.bonterraenergy.com.

Non-IFRS and Other Financial Measures

In this release, the Company refers to certain financial measures to analyze operating performance, which are not standardized measures recognized under IFRS® and do not have a standardized meaning prescribed by IFRS. These measures are commonly utilized in the oil and gas industry and are considered informative by management, shareholders and analysts.

These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. This release contains the terms “funds flow”, “capital expenditures”, “net debt”, “net debt to EBITDA ratio”, “field netback” and “cash netback” to analyze operating performance. Non-IFRS and other financial measures within this release may refer to forward-looking Non-IFRS and other financial measures and are calculated consistently with the three months ended March 31, 2025 reconciliations as outlined below.

Funds Flow

Funds flow is cash flow from operating activities including proceeds from sale of investments and investment income received excluding effects of changes in non-cash working capital items and decommissioning expenditures settled. Management considers funds flow from operations to be a key measure to assess the Company’s management of capital. Funds flow is an indicator as to whether adjustments are necessary to the level of capital expenditures. For example, in periods where funds flow from operations is negatively impacted by reduced commodity pricing, capital expenditures may need to be reduced or curtailed to preserve the Company’s capital. Management believes that by excluding the impact of changes in non-cash working capital, decommissioning expenditures, adjusting for interest expense in the period, and including investment income received and proceeds on sale of investments funds flow from operations provides a useful measure of Bonterra’s ability to generate the funds necessary to manage the capital needs of the Company.

	Three months ended	
($ millions)	**March 31, 2025**	March 31, 2024
Cash flow from operating activities	**29.6**	21.7
Adjusted for:		
Changes in non-cash working capital	**(0.7)**	4.1
Interest expense	**(4.3)**	(4.4)
Interest paid	**1.9**	3.1
Decommissioning expenditures	**1.0**	1.0
Investment income received	**0.1**	0.1
Proceeds on sale of investments	**–**	1.4
Funds flow	**27.6**	27.0

Capital Expenditures

Management utilizes capital expenditures to measure total cash capital expenditures incurred in the period. Capital expenditures represent exploration and evaluation and property, plant and equipment expenditures in the statement of cash flows in the Company’s March 31, 2025, condensed financial statements as follows:

	Three months ended

($ millions)	**March 31, 2025**	March 31, 2024
Comprised of:		
Exploration and evaluation expenditures	**0.2**	0.5
Property, plant and equipment expenditures	**32.3**	32.4
Capital Expenditures	**32.5**	32.9

Net Debt and Net Debt to EBITDA Ratio

Net debt is defined as current liabilities less current assets plus long-term bank debt, subordinated debentures, subordinated term debt and subordinated notes. Net debt to EBITDA ratio is defined as net debt at the end of the period divided by EBITDA for the trailing twelve months. EBITDA is defined as net earnings excluding deferred consideration, finance costs, provision for current and deferred taxes, depletion and depreciation, share-base compensation, gain or loss on sale of assets, extinguishment of debt and unrealized gain or loss on risk management contracts. For more information about net debt or net debt to EBITDA ratio please refer to Note 10 of the March 31, 2025 condensed financial statements.

($ 000s)	**March 31, 2025**	December 31, 2024
Bank debt	**24,209**	46,211
Subordinated term debt[(1)]	**–**	35,750
Subordinated debentures	**–**	55,872
Subordinated notes	**131,393**	–
Current liabilities	**61,372**	61,389
Current assets	**(30,872)**	(32,012)
Net debt	**186,102**	167,210
Net earnings	**$1,745**	10,203
Adjustments to net earnings:		
Unrealized gain on risk management contracts	**379**	1,525
Unrealized gain on sale of property	**(3,557)**	–
Deferred consideration	**(978)**	(958)
Finance costs	**25,860**	26,532
Share-option compensation	**2,502**	2,293
Depletion and depreciation	**100,804**	97,137
Extinguishment of debt	**11,597**	–
Current income tax expense	**2,312**	5,167
Deferred income tax expense	**(1,423)**	(1,513)
EBITDA (trailing twelve months)	**$139,241**	140,386
Net debt to EBITDA ratio	**1.3**	1.2

Field and Cash Netback

Field netback is a non-IFRS financial measure, calculated as oil and gas sales, realized gain (loss) on risk management contracts less royalties and productions costs. Field netback per BOE is a non-IFRS ratio, calculated as field netback divided by total barrels of oil equivalent

produced during a specific period of time. There is no comparable measure in accordance with IFRS. This metric is used by management to evaluate the Company's ability to generate cash margin on a unit of production basis.

Cash netback is a non-IFRS financial measure, calculated as field netback, proceeds on sale of investments and other income less office and administration, employee compensation, interest expense and current income taxes. Cash netback per BOE is a non-IFRS ratio, calculated as cash netback divided by total barrels of oil equivalent produced during a specific period of time. There is no comparable measure in accordance with IFRS. This metric is used by management to evaluate the Company's ability to generate cash flow from continuing corporate activities on a unit of production basis.

Field and cash netback are calculated on per unit basis as follows:

	Three months ended	
	March 31,	March 31,
($ millions)	**2025**	2024
Oil and gas sales	**70.7**	68.6
Realized gain (loss) on risk management contracts	**0.4**	0.4
Royalties	**(10.0)**	(9.0)
Production costs	**(25.7)**	(23.2)
Field Netback	**35.4**	36.8
Office and administration	**(1.5)**	(2.0)
Employee compensation	**(1.9)**	(1.8)
Proceeds on sale of investments	**–**	1.5
Interest expense less other income	**(4.1)**	(4.4)
Current income (tax) recovery	**(0.3)**	(3.1)
Cash Netback	**27.6**	27.0
Barrel of oil equivalent (BOE)	**1,436,969**	1,391,754
Field Netback ($ per BOE)	**24.65**	28.45
Cash Netback ($ per BOE)	**19.23**	20.91

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, but is not limited to: the Company's 2025 financial and operating guidance relating to production, funds flow, free funds flow, capital expenditures and asset retirement obligations; the Company's 2025 priorities and outlook; reserve estimates; exploration and

development activities; plans to defer the second quarter drilling program; repayment of indebtedness; the Company's return of capital strategy; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and other such matters.

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 affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; the impact on the Canadian energy industry of U.S. tariffs, changes to international trade agreements or the potential imposition of tariffs or other protectionist economic policies by the Canadian federal or provincial governments; applicable environmental, taxation and other laws and regulations as well as how such laws and regulations may limit growth or operations within the oil and gas industry; the impact of climate-related financial disclosures on financial results; the ability of the Company to raise capital, maintain its syndicated bank facility and refinance indebtedness upon maturity; the effect of weather conditions on operations and facilities; the existence of operating risks; 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; increased competition; stock market volatility; credit risks; climate change risks; cyber security; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

In addition, to the extent that any forward-looking information presented herein constitutes future-oriented financial information or financial outlook, as defined by applicable securities legislation, such information has been approved by management of the Company and has been presented to provide management's expectations used for budgeting and planning purposes and for providing clarity with respect to the Company's strategic direction based on the assumptions presented herein and readers are cautioned that this information may not be appropriate for any other purpose.

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.

Frequently recurring terms

Bonterra uses the following frequently recurring terms in this press release: “WTI” refers to West Texas Intermediate, a grade of light sweet crude oil used as benchmark pricing in the United States; “MSW Stream Index” or “Edmonton Par” refers to the mixed sweet blend that is the benchmark price for conventionally produced light sweet crude oil in Western Canada; “AECO” is the benchmark price for natural gas in Alberta, Canada; “bbl” refers to barrel; “NGL” refers to Natural gas liquids; “MCF” refers to thousand cubic feet; “MMBTU” refers to million British Thermal Units; “GJ” refers to gigajoule; and “BOE” refers to barrels of oil equivalent. Disclosure provided herein in respect of a BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

References in this press release to peak rates, initial production rates, test rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Bonterra. The Company cautions that such results should be considered preliminary.

Numerical Amounts

The reporting and the functional currency of the Company is the Canadian dollar.

The TSX does not accept responsibility for the accuracy of this release.

SOURCE Bonterra Energy Corp.