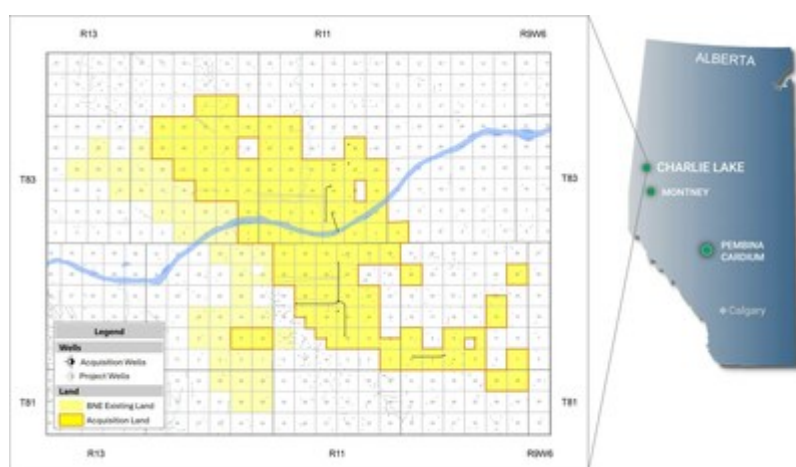


## Bonterra Energy Announces Fully Funded Charlie Lake Asset Acquisition to Establish New Complementary Core Area

CALGARY, AB, March 4, 2024 /CNW/ – Bonterra Energy Corp. (TSX: BNE) (“Bonterra” or the “Company”) is pleased to announce that the Company has acquired a high quality, undeveloped Charlie Lake asset that is prospective for light oil, comprised of 79 net sections of land in Bonanza, Alberta and 330 BOE per day<sup>1</sup> of production, for total cash consideration of \$24.1 million (“the Acquisition”). The Acquisition, which closed on March 1, 2024, is complementary to the Company’s existing 37 net sections of land, resulting in Bonterra now having 116 net sections of contiguous land in the light oil prone Charlie Lake.



“This Acquisition enables Bonterra to establish a meaningful position in the expanding Charlie Lake play, featuring a long-term development runway with highly economic drilling locations, all of which drives an increasing and sustainable free cash flow profile,” said Pat Oliver, CEO of Bonterra. “Upon closing, the Company’s property portfolio will be comprised of over 14,500 BOE per day<sup>2</sup> of light oil weighted production from the Cardium, along with two emerging and exciting light oil core areas: the Charlie Lake and the Montney, both of which offer high impact growth potential, superior economics and significant free funds flow<sup>3</sup> potential.”

### ACQUISITION HIGHLIGHTS<sup>4</sup>

#### Charlie Lake Footprint Forms New Core Area

- New core area with an overall 94 percent working interest in one of North America’s top oil plays
- 50,560 net acres (79 net sections) of land contiguous to Bonterra’s existing 23,680 net acres (37 net sections) of land assembled through a broker in crown land sales over the past two years

- Resultant Charlie Lake position totaling 74,240 net acres (116 net sections), enhancing the Company's oil and liquids weighted asset base
- 330 BOE per day of oil and liquids weighted production currently

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<sup>1</sup> Comprised of 160 bbls per day of light crude oil and NGLs and 1,020 mcf per day of conventional natural gas.

<sup>2</sup> Comprised of 6,860 bbls per day of light crude oil, 1,455 NGLs and 37,110 mcf per day of conventional natural gas.

<sup>3</sup> Non-IFRS measure. See advisories later in this press release.

<sup>4</sup> Forecasts based on: WTI U\$75.00/bbl; Diff -U\$3.50/bbl; FX: 0.725; AECO C: \$3.00/Gj

## **Top Tier Well Economics**

- Top tier well economics enables strategic capital allocation to projects within the Company's portfolio with the highest return on capital employed (ROCE)
- Wells pay out in approximately ten months<sup>1</sup>, generate internal rates of return in excess of 100 percent and have half-cycle capital efficiencies of \$11,000 to \$12,000 per flowing BOE<sup>2</sup>
- Estimated per well capital costs to drill, complete, equip and tie-in range from \$3 to \$5 million depending on lateral length

## **De-Risked Drilling Inventory**

- Four gross (3.6 net) Charlie Lake wells targeted for drilling and completion in the second half of 2024
- Five existing horizontals and related production contribute to the play's de-risked profile
- In excess of 100 Tier 1 net extended reach horizontal drilling locations identified
- The Company's operational expertise with Cardium light oil development is directly applicable to Charlie Lake, including horizontal development, marketing and field optimization

## **Charlie Lake Growth Plan**

- Charlie Lake production is forecasted to reach approximately 6,000 BOE per day<sup>3</sup> by 2026 which can be maintained for over a decade given conservative estimates of drilling inventory identified
- Estimated average annual funds flow<sup>4</sup> of \$55 million<sup>5</sup> to be generated from the area, with estimated average annual free funds flow<sup>4</sup> of nearly \$25 million<sup>5</sup> upon achieving production of 6,000 BOE per day

## **Corporate Sustainability Focus**

- Future development of Bonterra’s three core operating areas is anticipated to result in production growth, continued debt repayment and advance the commitment to a sustainable return of capital model

## **Owned and Operated Infrastructure**

- Strategic ownership in pipeline infrastructure and two multi-well batteries provides egress and operational flexibility to support near and longer-term production growth
- Excess gas plant capacity in the area accommodating the Company’s development plan

## **STRATEGIC RATIONALE**

The Acquisition represents a compelling strategic move for Bonterra and upon development will align with the Company’s commitment to corporate sustainability, while fortifying the Company’s long-term prospects. With the integration of the Acquisition, Bonterra expands its existing Charlie Lake footprint and secures a meaningful growth asset in this substantially de-risked, highly economic play. The Charlie Lake play integrates with Bonterra’s established Cardium assets and cash flow profile while complementing its emerging Montney resource play to create a foundation supporting sustained long-term growth and free funds flow generation.

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<sup>1</sup> Assumes total per well drill, complete, equip and tie-in costs of \$5.0 million.

<sup>2</sup> Flowing BOE is calculated using the estimated average cost per well divided by the initial annual production.

<sup>3</sup> Comprised of 2,740 bbls per day of light crude oil and NGL and 19,560 mcf per day of natural gas.

<sup>4</sup> Non-IFRS measure. See advisories later in this press release.

<sup>5</sup> Forecasts based on: WTI U\$75.00/bbl; Diff -U\$3.50/bbl; FX: 0.725; AECO C: \$3.00/Gj

## **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. An emerging Montney exploration opportunity is 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.

## **Use of Non-IFRS Financial Measures**

Throughout this release the Company uses the terms “funds flow”, “free funds flow”, “net

debt”, “net debt to EBITDA ratio”, “field netback” and “cash netback” 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.

The Company defines funds flow as cash flow provided by operating activities excluding effects of changes in non-cash working capital items and decommissioning expenditures settled. Free funds flow is defined as funds flow less dividends paid to shareholders, capital and decommissioning expenditures settled. Net debt is defined as current liabilities less current assets plus long-term bank debt, subordinated debentures and subordinated term debt. 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-option compensation, gain or loss on sale of assets and unrealized gain or loss on risk management contracts. Field netback is defined as revenue minus royalties, realized gain or loss on risk management contracts and production costs. Cash netback is defined as field netback less interest expense, general and administrative expense and current income tax expense divided by total BOEs for the period.

### **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 completion of the Acquisition and the impact of the Acquisition on production, funds flow, free funds flow and capital expenditures; Charlie Lake well economics and development plans; the Company’s 2024 budget and 2024 financial and operating guidance relating to production, funds flow, free funds flow, capital expenditures, operating costs, asset retirement obligations, netback, indebtedness and pricing; expectations relating to debt repayment and the payment of dividends; abandonment and reclamation activities; risk management 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; maintenance of existing customer, supplier and partner relationships; 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; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital or maintain its syndicated bank facility; 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; opportunities available to or pursued by us; and other factors, many of which are beyond our control.

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 there from. 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.

### **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.