

Bonterra Energy Announces Private Offering of \$135 Million Senior Secured Second Lien Notes

CALGARY, AB, Jan. 16, 2025 /CNW/ – Bonterra Energy Corp. (TSX: BNE) (“**Bonterra**” or the “**Company**”) is pleased to announce that it has entered into an underwriting agreement to issue and sell \$135 million of five year, 10.50% Senior Secured Second Lien Notes due 2030 (the “**Notes**”) by way of private placement (the “**Offering**”). The Offering is being underwritten by CIBC Capital Markets and ATB Capital Markets, as joint active bookrunners, in a syndicate that includes RBC Capital Markets as joint passive bookrunner.



The Offering of Notes supports the repayment of the Company’s upcoming maturities on its outstanding junior debt, provides a long term, simplified and more flexible capital structure and is a key step to enhancing the Company’s liquidity moving forward.

Bonterra intends to use the net proceeds from the Offering to repay in full the Company’s senior unsecured debentures and amounts owing under the second lien term loan, with the remainder, if any, to repay a portion of the amount then drawn under the Company’s revolving first lien credit facility, to pay related transaction expenses and/or for general corporate purposes. This press release does not constitute a notice of redemption for the debentures.

The Notes will be issued at a price of \$981.16 per \$1,000 principal amount of Notes and will accrue interest at the rate of 10.50% per annum. The Notes will mature on or about January 28, 2030 and will be secured on a second-lien basis by substantially all of the Company’s assets, subject to customary exclusions.

The Offering is expected to close on or about January 28, 2025, subject to customary closing conditions.

Upon closing of the Offering, Bonterra will be strategically positioned to continue to develop its assets in the Cardium, Charlie Lake and Montney, as well as advance its acquisition strategy through enhanced liquidity and access to capital.

The Notes are being 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, the completion of the Offering and the use of proceeds therefrom, including the redemption of the debentures.

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; the stability of general economic conditions; and assumptions relating to regulatory conditions and all necessary consents and approvals being obtained in connection with the Offering. 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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