

Bonterra Energy Announces Second Quarter 2025 Financial Results and Operations Update

The Company Achieves Record Production, Reduces Net Debt and Raises Production Guidance with Lower Capital

CALGARY, AB, Aug. 14, 2025 /CNW/ – Bonterra Energy Corp. (TSX: BNE) (“Bonterra” or the “Company”) is pleased to announce its financial and operating results for the three and six months ended June 30, 2025. The related unaudited condensed financial statements and notes for the second 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 periods ended (\$ 000s except for \$ per share and \$ per BOE)	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2025	2024	2025	2024
FINANCIAL				
Revenue – realized oil and gas sales	64,185	72,465	134,875	141,054
Funds flow ⁽¹⁾	23,092	31,484	50,727	58,502
Per share – basic	0.63	0.84	1.37	1.57
Per share – diluted	0.62	0.84	1.35	1.57
Cash flow from operations	29,996	33,180	59,610	54,834
Per share – basic	0.81	0.89	1.61	1.47
Per share – diluted	0.80	0.89	1.58	1.47
Net earnings (loss) ⁽²⁾	(1,313)	7,310	(8,923)	8,158
Per share – basic and diluted	(0.04)	0.20	(0.24)	0.22
Capital expenditures	6,351	21,619	38,801	54,543
Oil and gas property acquisition ⁽³⁾	-	-	-	24,234
Total assets			949,202	984,065
Net debt ⁽⁴⁾			169,938	172,622
Bank debt			29,614	41,889
Shareholders’ equity			530,935	537,498
OPERATIONS				
Light oil	6,794	6,571	6,671	6,596
	-bbl per day			

	-average price (\$ per bbl)	79.85	102.09	85.39	95.50
NGLs	-bbl per day	1,508	1,418	1,593	1,443
	-average price (\$ per bbl)	42.58	45.08	44.05	45.58
Conventional natural gas	- MCF per day	48,584	37,519	47,493	37,057
	- average price (\$ per MCF)	2.03	1.64	2.22	2.14
Total BOE per day ⁽⁵⁾		16,399	14,242	16,179	14,216

- ⁽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.
- ⁽²⁾ Net loss for the six months ended June 30, 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.
- ⁽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** averaged record levels for the fourth consecutive quarter, reaching 16,399 BOE per day in Q2 2025, a 15 percent increase from 14,242 BOE per day in Q2 2024. This growth was driven by the success of Bonterra's drilling results to date in the Charlie Lake and Montney. Accordingly, the Company has increased its 2025 annual production guidance to a range of 15,000 to 15,200 BOE per day from its original guidance range of 14,600 to 14,800 BOE per day.
- **Funds flow**¹ totaled \$23.1 million (\$0.62 per diluted share) in the second quarter of 2025.
- **Field netback and cash netback**¹ averaged \$21.28 per BOE and \$15.47 per BOE during Q2 2025, respectively, with WTI crude oil prices averaging US\$63.74 per barrel and AECO natural gas prices averaging \$1.68 per mcf.
- **Production costs** averaged \$16.44 per BOE in Q2 2025, a decrease of 8 percent from Q1 2025, subsequent to a successful Cardium well reactivation program in the first quarter.
- **Capital expenditures**¹ totaled \$6.3 million in the quarter and \$38.8 million in the first

six months of 2025, with \$20.4 million allocated to the drilling, completion and tie-in of five gross (4.7 net) operated wells in the Charlie Lake and Cardium. An additional \$18.4 million supported infrastructure, non-operated activities and development of a new battery and water disposal well to further develop the Charlie Lake play. Production outperformance driven by its first half capital program has allowed the Company to lower its full year capital guidance range to \$65 to \$70 million from the original guidance range of \$65 to \$75 million.

- **Net debt**¹ totaled \$169.9 million as at June 30, 2025, a decrease of 9 percent from Q1 2025 resulting in a 1.3x net-debt-to-EBITDA multiple.
- **Normal Course Issuer Bid** initiated in April, and during the six months ended June 30, 2025, Bonterra purchased 491,500 common shares (1.3% of the total outstanding shares on December 31, 2024) for cancellation at an average price of \$3.50 per common share.
- **Revolving Credit Facility** was renewed on April 30, 2025 with an increased borrowing base capacity of \$125 million and improved terms including a wider borrowing base, lower interest rate spreads, and the removal of financial covenants, providing enhanced flexibility to support Bonterra's business plan.

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

OPERATIONS UPDATE

Cardium

The Company is pleased to report an update on its first half Cardium drilling program. In the first quarter of 2025 the Company drilled two gross (2.0 net) Cardium wells. On average per well rates are approximately 140 barrels per day of light crude oil, 0.4 mmcf per day of conventional natural gas and 20 barrels per day of natural gas liquids after 6 months, which is well above historical results in the area. The Company plans to follow up on these results with further drilling activity in 2026.

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 in the first quarter of 2025. Production from the new three-well pad commenced in the second quarter; the three wells averaged 90-day peak rates at a combined 1,905 BOE per day, including approximately 530 barrels per day of light crude oil, 100 barrels per day of natural gas liquids and 7.7 mmcf per day of conventional natural gas. The Company plans to drill an additional three gross (2.7 net) wells in the second half of 2025 with plans to bring these wells on production through Q4 2025 and Q1 2026. Current net production from the Charlie Lake

asset is approximately 2,050 BOE per day.

Montney

The Company's latest Montney well continues to deliver strong results after 9 months, currently producing at rates of approximately 585 BOE per day, including approximately 190 barrels per day of light crude oil, 1.9 mmcf per day of conventional natural gas and 75 barrels per day of natural gas liquids. The second well in the play has cumulatively produced 72,100 barrels of light crude oil, 550 mmcf of conventional natural gas and 19,100 barrels of natural gas liquids over a nine-month period. Current net production from the Montney asset is approximately 1,000 BOE per day.

The Montney remains a strategic asset in the Company's portfolio for enhancing shareholder value. The Company's plan to assess long-term egress solutions over the coming quarters before allocating further capital to the Montney play remains unchanged.

RETURN-OF-CAPITAL

Bonterra received approval from the Toronto Stock Exchange on April 11, 2025 to implement a Normal Course Issuer Bid. The program allows the Company to repurchase up to 3,199,449 common shares, representing approximately 10 percent of its public float, between April 15, 2025, and April 14, 2026. During the six months ended June 30, 2025 the Company purchased 491,500 common shares (1.3% of the total outstanding shares on December 31, 2024) for cancellation at an average price of \$3.50 per common share.

STRENGTHENED FINANCIAL POSITION

In early 2025, Bonterra undertook a series of strategic financing transactions to further strengthen its balance sheet. On January 28, 2025, the Company closed a private placement of \$135 million in Senior Secured Second Lien Notes due 2030, with proceeds used to repay its second lien subordinated term debt and reduce borrowings under its revolving credit facility.

Following this, on February 26, 2025, Bonterra redeemed its subordinated debentures in full. On April 30, 2025, the Company renewed and increased its revolving credit facility to \$125 million. The renewed facility features improved terms, including a wider borrowing base, lower interest rate spreads, and the removal of financial covenants, providing enhanced flexibility to support Bonterra's business plan.

RISK MANAGEMENT AND COMMODITY PRICING

To protect future cash flows, Bonterra has secured physical delivery sales and risk management contracts for approximately 35% (net of royalties payable) of its expected crude oil production and natural gas production, through the next nine months. The Company

has executed costless collars ranging in WTI prices between \$55.00 USD and \$75.50 USD per barrel for 1,811 barrels per day. In addition, the Company has secured natural gas prices between \$1.75 and \$3.30 per GJ for 15,122 GJ per day.

OUTLOOK

In the prevailing commodity price environment, Bonterra is positioned to exceed its original full year production guidance within the bottom half of its original capital guidance range. Production is on pace to exceed the upper end of the Company's original guidance range of 14,600 to 14,800 BOE per day and, as a result, Bonterra has increased its annual production guidance range to 15,000 to 15,200 BOE per day while lowering its capital guidance range to \$65 to \$70 million. Higher production with less capital deployed is evidence of the Company's strategy to increase capital efficiencies while improving its free funds flow profile.

For the remainder of the year, Bonterra plans to continue to focus on free funds flow generation and balance sheet management with the second-half capital program planned to execute the drilling of three gross (2.7 net) Charlie Lake wells with plans to complete, tie-in and bring the wells on production through Q4 2025 and Q1 2026.

Bonterra continues to preserve capital flexibility for the remainder of the year, depending on commodity price conditions. It remains focused on driving production efficiency and maximizing returns, generating free funds flow to support debt repayment, maintaining a debt-neutral position while funding its NCIB, and evaluating strategic acquisition opportunities in its core areas.

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 second quarter report. For the full report, please go to

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 and six months ended June 30, 2025 reconciliations as outlined below.

Funds Flow

Funds flow is a non-IFRS financial measure, calculated as 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 uses funds flow to determine the cash generated during a period.

The following is a reconciliation of funds flow to the most directly comparable IFRS measure, “Cash flow from operations”:

(\$ millions)	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Cash flow from operating activities	30.0	33.2	59.6	54.8
Adjusted for:				
Changes in non-cash working capital	(4.7)	(4.7)	(5.4)	(0.6)
Interest expense	(4.2)	(4.6)	(8.4)	(9.1)
Interest paid	0.6	5.9	2.5	9.1
Decommissioning expenditures	1.2	1.6	2.2	2.6
Investment income received	0.2	0.1	0.2	0.3
Proceeds on sale of investments	-	-	-	1.4
Funds flow	23.1	31.5	50.7	58.5

Capital Expenditures

Capital expenditures are a non-IFRS financial measure. They are calculated as the sum of exploration and evaluation costs and property, plant, and equipment costs per the statement of cash flow. Management uses this metric to assess the total cash capital expenditures incurred and displayed in the six-month period ended June 30, 2025, condensed financial

statements as follows:

(\$ millions)	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Comprised of:				
Exploration and evaluation expenditures	0.2	0.2	0.4	0.7
Property, plant and equipment expenditures	6.1	21.4	38.4	53.8
Capital Expenditures	6.3	21.6	38.8	54.5

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-based 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 June 30, 2025 condensed financial statements.

The following is a reconciliation of trailing twelve-month EBITDA to the most directly comparable IFRS measure, "Net earnings":

(\$ millions)	June 30, 2025	December 31, 2024
Bank debt	29.6	46.2
Subordinated term debt	-	35.8
Subordinated debentures	-	55.9
Subordinated notes	135.2	-
Current liabilities	36.8	61.4
Current assets	(31.7)	(32.0)
Net debt	169.9	167.3
Net earnings	(6.9)	10.2
Adjustments to net earnings:		
Unrealized (gain) loss on risk management contracts	(0.1)	1.5
Gain on sale of property	(3.6)	-
Deferred consideration	(1.0)	(1.0)
Finance costs	24.5	26.5
Share-based compensation	3.0	2.3
Depletion and depreciation	103.1	97.1
Extinguishment of debt	11.6	-
Current income tax expense	1.2	5.2
Deferred income tax recovery	(2.6)	(1.5)
EBITDA (trailing twelve months)	129.2	140.3
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:

(\$ millions)	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Oil and gas sales	64.1	72.5	134.8	141.1
Realized gain on risk management contracts	0.5	0.3	0.9	0.7
Royalties	(8.3)	(10.4)	(18.3)	(19.4)
Production costs	(24.6)	(21.0)	(50.3)	(44.2)
Field Netback	31.7	41.4	67.1	78.2
Office and administration	(1.4)	(1.3)	(2.9)	(3.3)
Employee compensation	(1.7)	(1.6)	(3.6)	(3.4)
Proceeds on sale of investments	-	-	-	1.4
Interest expense less other income	(4.1)	(4.4)	(8.2)	(8.7)
Current income tax	(1.4)	(2.6)	(1.7)	(5.7)
Cash Netback	23.1	31.5	50.7	58.5
Barrel of oil equivalent (BOE)	1,492,316	1,296,046	2,928,482	2,587,246
Field Netback (\$ per BOE)	21.28	32.05	22.93	30.26
Cash Netback (\$ per BOE)	15.47	24.29	17.32	22.61

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 and capital expenditures; the Company's 2025 priorities and outlook; exploration and development activities; repayment of indebtedness; plans to continue funding the NCIB; 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.