Bonterra Energy Corp. Announces Extension of Revolving Credit Facility

CALGARY, AB, Aug. 31, 2020 /CNW/ – Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") announces it has received approval from its syndicate of lenders to extend the revolving period applicable to the Company's existing credit facility to September 30, 2020 from August 31, 2020. The credit facility will continue to be available on a revolving basis until that date.

The extension affords Bonterra and its syndicate of lenders additional time to finalize definitive agreements related to the Business Development Bank of Canada ("BDC") non-binding Term Sheet under their Business Credit Availability Program ("BCAP"), which would potentially provide the Company with an up to $45 million non-revolving, second lien, four year term facility (the "BDC Term Facility"). The BDC Term Facility offers Bonterra significant additional long-term liquidity at reasonable interest rates to withstand the impacts of the COVID-19 pandemic and allow the Company to continue pursuing development of its high-quality, Cardium light oil asset base in order to generate long-term, sustainable net asset value per share growth as the economy recovers.

Press Release by Obsidian on August 31, 2020

Bonterra also acknowledges the press release issued earlier this morning on August 31, 2020 by Obsidian Energy Ltd. (the "Obsidian Press Release"), whereby Obsidian expressed their interest in a potential transaction with Bonterra. At all times, Bonterra takes into consideration potential alternatives that could be of value and benefit to its stakeholders. Any unsolicited third-party expression of interest in a potential transaction is reviewed by Bonterra and its Board of Directors (and also, as appropriate, with its legal and financial advisors). With respect to the Obsidian Press Release, Bonterra confirms that the Company remains aware of Obsidian's interest in a potential transaction. Bonterra does not intend to provide any further public announcements regarding the Obsidian Press Release and any matters referred to therein unless (i) future discussions with Obsidian, if any, result in a transaction, or (ii) the Company determines that disclosure is warranted and in accordance with the requirements of applicable securities law.

Bonterra Energy Corp. is a conventional oil and gas corporation with operations in Alberta, Saskatchewan and British Columbia, focused on its strategy of long-term, sustainable growth and value creation. The Company's shares are listed on The Toronto Stock Exchange under the symbol "BNE".

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: business strategy and outlook; expectations regarding the potential impact of COVID-19; expectations regarding the potential impact of government support programs, 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; 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.

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.