

Bonterra Energy Corp. Confirms Previous Recommendation for Shareholders to Reject the Hostile Bid

- Bonterra shareholders continue to advise the Company they will not tender their shares
- Amended offer displays lack of success with Hostile Bid
- Shareholders need to take no action to **REJECT** the offer

CALGARY, AB, Jan. 11, 2021 /CNW/ – Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) (“Bonterra” or the “Company”) today confirms that the Company has carefully reviewed the Notice of Extension, Variation and Change filed by Obsidian Energy Ltd. (“Obsidian”) for the unsolicited bid to acquire all of the issued and outstanding common shares of Bonterra in exchange for shares of Obsidian (the “Hostile Bid”) and continues to strongly recommend that Bonterra shareholders **take no action** and **REJECT** the Hostile Bid by **NOT TENDERING** their shares.

Since its launch, Obsidian’s Hostile Bid has proven to be unsuccessful, with Bonterra shareholders overwhelmingly advising they will not tender their shares. Rather than acknowledge the views of Bonterra shareholders and withdraw the Hostile Bid, Obsidian has instead chosen to extend the tender date of the Hostile Bid from January 4th to January 25th, 2021. In addition, Obsidian has reduced the minimum number of outstanding Bonterra shares that must be tendered to complete the Hostile Bid from the customary 66 2/3 percent down to over 50 percent. This change indicates that Obsidian does not expect the higher tender condition can be achieved due to the lack of Bonterra shareholder support of the Hostile Bid.

Consistent with the rationale outlined within its Directors’ Circular dated October 5, 2020, Bonterra’s Board has continued to recommend Shareholders **REJECT** the Hostile Bid.

- Obsidian has not addressed its ability to obtain the third-party consents and approvals required to complete the Hostile Bid, including the consent of each of Obsidian’s and Bonterra’s lenders, exposing Bonterra shareholders to an uncertain financing plan
- Obsidian’s lending syndicate only granted an extension of its credit facility to January 29, 2021, a negative signal given the short period of the extension
- Obsidian’s significantly higher asset retirement obligations will leave Bonterra shareholders a disproportionately higher allocation of future abandonment liabilities
- Obsidian has limited liquidity to grow operations, and has been posting negative free cash flow for every quarter since December 31, 2017
- The rationale of the Hostile Bid is highly dependent on the achievement of significant synergies and cost savings which remain uncertain

As stated in Bonterra’s Shareholder Letter dated November 23, 2020, the majority of research analysts and proxy advisors believe that the Hostile Bid is highly unlikely to

proceed. These documents and additional background are available for review on the Company's website at www.bonterraenergy.com.

The Bonterra Board UNANIMOUSLY recommends that Shareholders REJECT the Hostile Bid by taking no action - DO NOT TENDER your Shares.

Shareholder Questions

Shareholders with questions are encouraged to call Bonterra's information agent, Laurel Hill Advisory Group at 1-877-452-7184 (+1-416-304-0211 outside North America) or email assistance@laurelhill.com

About Bonterra

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 for shareholders. 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: expectations regarding the effect of the Hostile Bid, the lack of Bonterra shareholder support for the Hostile Bid and the Hostile Bid being unlikely to proceed; 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: risks and uncertainties relating to the satisfaction of all conditions relating to the availability of funding pursuant to government programs; 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 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.

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.

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