

Bonterra Energy Corp. Announces Update to Credit Facilities

CALGARY, May 21, 2019 /CNW/ - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") today announces that following the annual review of its credit facilities, Bonterra management and Board of Directors have determined, along with the bank syndicate, that amending the credit facilities will better reflect the Company's current operating needs and strategy. The amended credit facilities are comprised of a \$300 million syndicated revolving credit facility (previously \$330 million), a \$40 million non-syndicated revolving credit facility (previously \$50 million) (the "Bank Facility") and the addition of an accordion feature which allows the Company to obtain future funding of up to \$40 million for opportunities outside of normal operations, such as acquisitions, subject to unanimous lender approval (the "Amended Facilities"). The terms of the Amended Facilities provide that the loan is revolving to April 28, 2020, with a maturity date of April 28, 2021, subject to annual review.

Bonterra has prudently set its capital expenditure budget for 2019 with flexibility to adjust spending based on commodity prices. As a result, the Amended Facilities afford the Company with ample liquidity and sufficient financial flexibility to execute on its business plan, which includes directing free funds flow to ongoing debt repayment. Currently, Bonterra is drawn approximately \$300 million on the \$340 million Bank Facility. Based on the Company's assumptions regarding commodity prices using current strip pricing, as well as budgeted production levels for the balance of the current year, funds flow is expected to be approximately \$110 to \$115 million for 2019. Therefore, with capital expenditures currently budgeted for \$57 million and annual dividend payments of \$4 million, the Company anticipates generating approximately \$49 to \$54 million of free funds flow for 2019. With strengthening commodity prices and declining debt levels, Bonterra's sustainability can be further enhanced, enabling the Company to consider increased capital spending levels or possible dividend increases.

The terms of the Amended Facilities are substantially consistent with those governing the previous credit facilities, with enhanced compliance and reporting features related to Alberta Energy Regulator ("AER") regulations regarding abandonment and reclamation activities and certain restrictions on acquisition and disposition activity to ensure strict conformance with pre-determined liability management ratings.

Bonterra Energy Corp. is a conventional oil and gas corporation with operations in Alberta, Saskatchewan and British Columbia. The Company's shares are listed on The Toronto Stock Exchange under the symbol "BNE".

Use of Non-IFRS Financial Measures

In this release the Company uses the terms "funds flow " and "free funds flow" 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 funds provided by operations excluding the effects of changes in non-cash working capital items and decommissioning expenditures settled. The Company calculates free funds flow by deducting capital expenditures and dividend payments from funds flow from operations.

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: expected cash provided by continuing operations; cash dividends; future capital expenditures, including the amount and nature thereof; plans to repay indebtedness; 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; 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. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in our most recent Annual Information Form and in other reports filed with Canadian securities regulatory authorities.

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.

This press release also contains information that may constitute future-orientated financial information or financial outlook information (collectively, "FOFI") about the Company's prospective results of operations including, without limitation, funds flow from operations and free funds flow, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. The Company's actual results, performance and achievements could differ materially from those expressed in, or implied by, the FOFI. The Company has included the FOFI in order to provide readers with a more complete perspective on our future operations and our current expectations relating to the Company's future performance. Such information may not be appropriate for other purposes and readers are cautioned that any FOFI contained herein should not be used for purposes other than those for which it has been disclosed herein. FOFI contained herein was made as of the date of this press release. Unless required by applicable laws, the Company does not undertake any obligation to publicly update or revise any FOFI statements, 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.

SOURCE Bonterra Energy Corp.

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<http://bonterraenergy.mediaroom.com/2019-05-21-Bonterra-Energy-Corp-Announces-Update-to-Credit-Facilities>