

Bonterra Energy Corp. Announces Business Development Bank of Canada Term Facility

CALGARY, AB, Aug. 20, 2020 /CNW/ - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") is pleased to announce that it has entered into a non-binding term sheet (the "BDC Term Sheet") with the Business Development Bank of Canada ("BDC"), in partnership with its syndicate of lenders, for a non-revolving four year term facility of potentially up to \$45 million and subject to formal credit approval from BDC and the syndicate.

Subsequent to the end of the second quarter, on July 14, 2020, Bonterra's credit facility was confirmed at \$300 million, comprised of a \$125 million revolving facility, a \$25 million operating facility and a \$150 million term loan facility with the revolving period extended to August 31, 2020 and the credit facility maturing on April 28, 2021. On August 19, 2020 the Company entered into the BDC Term Sheet with the BDC under their Business Credit Availability Program ("BCAP") which, subject to the entering into of definitive agreements, will 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 will provide Bonterra with 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. Based on a successful outcome from the BDC program, Bonterra would deploy proceeds to re-initiate its capital program in late Q3 and early Q4 2020 and target production levels consistent with those realized in 2019, leading to enhanced liquidity and improved financial flexibility.

To further advance its abandonment program, Bonterra has submitted applications under Alberta's Site Rehabilitation Program ("SRP") to abandon over 600 well bores, pipelines and well sites and has applied to similar programs in Saskatchewan and British Columbia, building on the successful abandonment of 45 inactive well bores and associated pipelines during the first quarter. The Government of Alberta will administer the SRP in various phases to provide grant funding through service providers for the abandonment or remediation of oil and gas sites. As a result of these programs, the Company has been approved for funding of approximately \$6.6 million of abandonment costs in total and will continue its efforts to apply for further funding to leverage these programs for ongoing asset retirement obligations as further information is provided.

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: business strategy and outlook; expectations regarding the potential impact of COVID-19; future capital expenditures, including the amount and nature thereof; 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.

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