

Bonterra Energy Corp. Confirms \$104 Million in Approved Credit Commitments From Export Development Canada, Business Development Bank of Canada and Alberta's Site Rehabilitation Program

CALGARY, AB, Oct. 5, 2020 /CNW/ - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") is pleased to announce that it has received a reserve based lending commitment from Export Development Canada ("EDC") of up to \$38.4 million (the "EDC Commitment"). In addition, Bonterra is pleased to confirm that to date, its vendors have been approved for \$21 million of funding through Alberta's Site Rehabilitation Program ("SRP"). These amounts build on the Company's recently approved \$45 million Business Development Bank of Canada ("BDC") term facility.

Between EDC, BDC, and the SRP, the Company has now been approved for over \$104 million of credit availability (pending legal and banking documentation). These commitments 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.

EDC Commitment

The EDC Business Credit Availability Program ("BCAP") was initially announced to provide additional liquidity and cash flow to companies who were deemed financially viable pre-COVID-19, allowing them to continue operations and development activity throughout a recovery from the pandemic, supporting a return to pre-COVID-19 operating levels within a manageable timeframe based on strengthening crude oil, liquids and natural gas prices. Bonterra has been in discussions with both EDC and BDC regarding their programs since April 2020, and believes the \$38.4 million EDC Commitment, combined with the previously announced and approved BDC term facility, subject to legal and banking documentation, demonstrates the confidence EDC and BDC maintain in the Company. The \$38.4 million lending commitment has a tenure of up to two years, is renewable at maturity at EDC's discretion, and is subject to legal and banking documentation, in a form satisfactory to EDC .

SRP Awards

In partnership with its vendors, the Company has received, to date, \$20 million in-kind of SRP funding and an additional \$1 million as an Area Based Closure ("ABC") participant for a total of \$21 million. The funding will assist with abandoning and reclaiming 189 pipelines (179,000 meters) and 379 well bores, ultimately reducing Bonterra's operated inactive well count by 59% over the next two years and reducing the Company's pre-SRP annual spending commitments under the ABC program from approximately \$3 million to \$2 million per year going forward.

BDC Credit Facility

As previously announced, the Company was approved by BDC for a second lien non-revolving four-year term facility for up to \$45 million (the "BDC Term Facility"), subject to legal and banking documentation. 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.

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: credit commitments pursuant to the EDC, BDC and SRP programs and the anticipated amount and terms of funding that will become available to the Company pursuant to such programs; the Company's spending commitments under the ABC program; the Company's inactive well count; 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 completion of definitive legal and banking documentation and 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.

SOURCE Bonterra Energy Corp.

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