

## Bonterra Energy Corp. Announces 2016 Year End Corporate Reserves Information

**CALGARY, ALBERTA--(Marketwired - Feb. 7, 2017)** - Bonterra Energy Corp. ([www.bonterraenergy.com](http://www.bonterraenergy.com)) (TSX:[BNE](#)) ("Bonterra" or "the Company") is pleased to provide the summary results of its independent reserve report (the "Sproule Report") prepared by Sproule Associates Limited ("Sproule") with an effective date of December 31, 2016.

### Corporate Reserves Information

The following summarizes certain information contained in the Sproule Report. The Sproule Report was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR on or by March 14, 2017.

### Reserve Report Highlights

- Increased proved plus probable (P+P) reserves by five percent to 94.9 million BOE (71 percent oil and liquids) and total proved reserves by five percent to 74.3 million BOE (71 percent oil and liquids).
- Increased proved reserves by 3.6 million BOE which replaced production by 177 percent.
- Total proved reserves represent 78 percent of total P+P reserves.
- Reserves per fully diluted share (P+P) increased to 2.85 BOE per share compared to 2.78 BOE per share from the prior year, an increase of 3 percent.
- Finding Development and Acquisition (FD&A) costs including the change in future development capital (FDC) are \$9.93 per BOE on a P+P basis which results in a recycle ratio of 2.3 times.
- FD&A costs including the change in FDC are \$10.87 per BOE on a total proved basis which results in a recycle ratio of 2.1 times.
- Reserve life index of approximately 20 years on a P+P basis, 16 years on a total proved basis, and 9 years on a proved developed producing (PDP) basis (based on 2016 average production rate of 12,650 BOE per day).

### Summary of Gross Oil and Gas Reserves as of December 31, 2016

|  | Light and<br>Medium Oil<br>(MBbl) | Solution<br>Gas<br>(MMcf) | Natural<br>Gas<br>(MMcf) | Natural<br>Gas<br>Liquids<br>(MBbl) | Oil<br>equivalent <sup>(4)</sup><br>(MBoe) | Future<br>Development<br>Capital<br>(000s) |
|--|-----------------------------------|---------------------------|--------------------------|-------------------------------------|--|--|
| Proved                                 |                                   |                           |                          |                                     |  |  |
| Developed Producing                    | 25,568                            | 61,070                    | 7,870                    | 2,726                               | 39,784                                     | 174  |
| Developed Non-producing                | 906                               | 2,241                     | 817                      | 105                                 | 1,521                                      | 1,706                                      |
| Undeveloped                            | 21,107                            | 49,230                    | 7,879                    | 2,326                               | 32,951                                     | 544,833                                    |
| <b>Total proved</b>                    | <b>47,581</b>                     | <b>112,541</b>            | <b>16,567</b>            | <b>5,158</b>                        | <b>74,257</b>                              | <b>546,713</b>                             |
| Probable                               | 12,739                            | 29,300                    | 8,862                    | 1,549                               | 20,648                                     | 19,528                                     |
| <b>Total P+P<sup>(1) (2) (3)</sup></b> | <b>60,320</b>                     | <b>141,840</b>            | <b>25,429</b>            | <b>6,707</b>                        | <b>94,905</b>                              | <b>566,241</b>                             |

Notes:

(1) Reserves have been presented on gross basis which are the Company's total working interest share before the deduction of any royalties and without including any royalty interests of the Company.

(2) Totals may not add due to rounding.

(3) Based on Sproule's December 31, 2016 escalated price deck.

(4) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.

### Reconciliation of Company Gross Reserves by Principal Product Type as of December 31, 2016 <sup>(1)(2)</sup>

| Light &<br>Medium Oil | Conventional<br>Natural Gas | Natural Gas<br>Liquids | Oil Equivalent |
|-----------------------|-----------------------------|------------------------|----------------|
| Proved                | Proved +                    | Proved                 | Proved         |

|   | Proved<br>(MBbl) | +<br>Probable<br>(MBbl) | Proved<br>(MMcf) | Probable<br>(MMcf) | Proved<br>(MBbl) | +<br>Probable<br>(MBbl) | Proved<br>(MBoe) | +<br>Probable<br>(MBoe) |
|---|------------------|-------------------------|------------------|--------------------|------------------|-------------------------|------------------|-------------------------|
| <b>Opening Balance,<br/>December 31, 2015</b>               | <b>47,036</b>    | <b>59,558</b>           | <b>111,172</b>   | <b>146,128</b>     | <b>5,118</b>     | <b>6,708</b>            | <b>70,684</b>    | <b>90,621</b>           |
| Extensions & Improved<br>Recovery <sup>(2)</sup>            | 3,363            | 4,233                   | 8,447            | 10,454             | 366              | 460                     | 5,138            | 6,437                   |
| Technical Revisions<br>Discoveries                          | 1,221            | 646                     | 23,892           | 21,770             | 254              | (19)                    | 5,456            | 4,254                   |
| Acquisitions  | 93               | 115                     | 326              | 410                | 10               | 13                      | 157              | 196                     |
| Dispositions <sup>(3)</sup>                                 | (18)             | (24)                    | -                | -                  | -                | -                       | (18)             | (24)                    |
| Economic Factors  | (1,208)          | (1,302)                 | (6,352)          | (3,116)            | (264)            | (128)                   | (2,530)          | (1,949)                 |
| Production  | (2,907)          | (2,907)                 | (8,377)          | (8,377)            | (327)            | (327)                   | (4,630)          | (4,630)                 |
| <b>Closing Balance,<br/>December 31, 2016<sup>(4)</sup></b> | <b>47,581</b>    | <b>60,320</b>           | <b>129,108</b>   | <b>167,269</b>     | <b>5,157</b>     | <b>6,707</b>            | <b>74,257</b>    | <b>94,905</b>           |

Notes:

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

(2) Increases to Extensions & Improved Recovery include infill drilling and are the result of step-out locations drilled by Bonterra and other operators on and near Company-owned lands.

(3) Includes volumes associated with Farm outs.

(4) Totals may not add due to rounding.

#### Summary of Net Present Values of Future Net Revenue as of December 31, 2016

| (\$M)   | Net Present Value Before Income Taxes Discounted at (%<br>per Year) |           |           |           |
|---|---|-----------|-----------|-----------|
| Reserves Category:                              | 0%  | 5%        | 10%       | 15%       |
| Proved  |   |           |           |           |
| Producing                                       | 1,392,381   | 945,720   | 717,404   | 581,440   |
| Non-producing                                   | 41,473  | 30,405    | 23,239    | 18,545    |
| Undeveloped                                     | 925,699   | 519,021   | 316,757   | 203,333   |
| Total proved                                    | 2,359,552   | 1,495,146 | 1,057,401 | 803,318   |
| Probable  | 925,389   | 478,075   | 307,422   | 223,398   |
| Total proved plus probable <sup>(1)(2)(3)</sup> | 3,284,941   | 1,973,222 | 1,364,823 | 1,026,716 |

Notes:

(1) Evaluated by Sproule as at December 31, 2016. Net present value of future net revenue does not represent fair value of the reserves.

(2) Net present values equals net present value before income taxes based on Sproule's forecast prices and costs as of December 31, 2016. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material.

(3) Includes abandonment and reclamation costs as defined in NI 51-101.

#### Finding, Development & Acquisition (FD&A) and Finding & Development (F&D) Costs

The Company has historically been active in its capital development program and through 2016 successfully reduced capital costs per well through a combination of efficiencies and benefitting from reductions to the overall industry cost structure. Over the past three years, Bonterra has incurred the following FD&A<sup>(3)</sup> and F&D<sup>(3)</sup> costs both excluding and including Future Development Capital:

|  | Proved Reserve Net Additions |         |         |                            | P+P Reserve Net Additions |         |         |                            |
|--|------------------------------|---------|---------|----------------------------|---------------------------|---------|---------|----------------------------|
|  | 2016                         | 2015    | 2014    | 3 Yr<br>Avg <sup>(4)</sup> | 2016                      | 2015    | 2014    | 3 Yr<br>Avg <sup>(4)</sup> |
| <b>FD&amp;A Costs per BOE</b> <sup>(1)(2)(3)</sup> |                              |         |         |                            |                           |         |         |                            |
| Including FDC                                      | \$10.87                      | \$11.52 | \$18.90 | \$14.28                    | \$9.93                    | \$11.60 | \$22.67 | \$14.45                    |
| Excluding FDC                                      | \$4.91                       | \$15.50 | \$11.57 | \$11.41                    | \$4.58                    | \$15.29 | \$15.54 | \$12.56                    |

**F&D Costs per BOE** <sup>(1)(2)(3)</sup>

|               |         |         |         |         |        |         |         |         |
|---------------|---------|---------|---------|---------|--------|---------|---------|---------|
| Including FDC | \$10.89 | \$4.76  | \$18.89 | \$15.07 | \$9.91 | \$3.12  | \$22.71 | \$16.04 |
| Excluding FDC | \$4.81  | \$33.26 | \$11.53 | \$10.84 | \$4.44 | \$56.32 | \$15.53 | \$12.79 |

Notes:

(1) Barrels of Oil Equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

(3) FD&A and F&D costs are net of proceeds of disposal and the FD&A costs per BOE are based on reserves acquired net of reserves disposed of.

(4) Three year average is calculated using three year total capital costs and reserve additions on both a Proved and P+P reserves on a weighted average basis.

Certain financial and operating information, such as production information, and finding and development costs included in this press release for the quarter and year ended December 31, 2016 are based on estimated unaudited financial results for the year and are subject to the same limitations as discussed under Forward Looking Statements set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2016 and changes could be material.

### Operational Highlights

Bonterra continued to realize operational success through 2016 as it focused on projects offering the highest economics while preserving value in a persistently low commodity price environment. The Company realized ongoing success in its core Pembina Cardium area through 2016 and maintained stable production volumes as a result of its very low corporate decline rate of approximately 18 - 20 percent, successful drilling program and the implementation of innovative completions techniques across its asset base.

During the fourth quarter of 2016, the Company experienced production curtailments primarily related to pipeline restrictions which resulted in 360 BOE per day being off-line for the fourth quarter. The Company also experienced freeze-off conditions in November and December and has not yet been able to quantify the reduced volumes. All restricted volumes were produced and stored in inventory and will be included in Q1 2017 production.

Bonterra's 2016 full year and fourth quarter production summary follows:

- Average daily production for the full year of 12,650 BOE per day (70 percent oil and liquids), in line with 2016 guidance, and unchanged relative to the 12,656 BOE per day average in 2015;
- Average daily production of 12,134 BOE per day in the fourth quarter, a decrease of three percent compared to the fourth quarter of 2015, primarily related to pipeline restrictions and freeze-offs, reducing Q4 production by approximately 360 BOE per day; and,
- Production per fully diluted share was 0.14 BOE per share in 2016, which was the same as the prior year, reflecting constant production volumes and shares outstanding year over year.
- Bonterra drilled and uncompleted three gross (1.5 net) wells in Q4 2016 which were completed, tied-in and brought on production early in 2017.

The Company has not released its audited 2016 financial results, and therefore the financial figures provided herein are estimates and are unaudited.

### Caution Regarding Engineering Terms:

Disclosure provided herein in respect of barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio of 6 MCF to 1 barrel has been used in all cases in this disclosure. This BOE conversion ratio is based on an energy equivalency conversion method primarily available at the burner tip and does not represent a value equivalency at the wellhead.

### 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; 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 maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; 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.

*The TSX does not accept responsibility for the accuracy of this release.*

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