

Bonterra Energy Corp. Announces Redetermination of Credit Facility

CALGARY, AB, July 14, 2020 /CNW/ - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") today provides a corporate update and confirms the Company has completed the extension and redetermination of its credit facility in partnership with its syndicate of lenders. Bonterra has continued to take meaningful steps in the first half of 2020 to weather a challenging operating environment while prioritizing protection of the balance sheet and the preservation of long-term shareholder value. Key initiatives undertaken to date in 2020 include:

- Suspension of the monthly dividend (effective April 1, 2020);
- Suspension of the capital program in March, 2020;
- Reduction of monthly operating costs by approximately \$1.5 million and general and administrative costs by approximately \$0.2 million (~40% per month); and
- The commencement of applications to Federal and Provincial economic stimulus programs from Export Development Canada (EDC), Business Development Bank of Canada (BDC), and the Government of Alberta's Site Rehabilitation program (SRP).

Given the Company's low corporate decline rate of approximately 21 percent combined with management's proactive cost reduction initiatives undertaken to date, Bonterra intends to continue actively reducing net debt through the balance of 2020 assuming current forward commodity prices. The Company suspended its capital program in March in response to the dramatic decrease in global oil demand and prices associated with the COVID-19 pandemic and is currently evaluating the reactivation of a limited capital program in the third quarter of 2020.

Credit Facility Redetermination

Bonterra's credit facility has been 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. The Company has established a 2020 maintenance capital budget of approximately \$27 million, with the ability to expand this budget with Board and unanimous approval from the lending syndicate. Bonterra anticipates the credit facility will provide sufficient liquidity to execute on its business plan through the balance of 2020.

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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