Bonterra Energy Corp.'s Board of Directors Unanimously REJECTS Obsidian Energy Ltd.'s Offer and Advises Shareholders to TAKE NO ACTION

- *The Hostile Bid is a "take-under" bid offered at a discount and does not provide adequate value for Shareholders.*
- *The Hostile Bid's lack of financing plan creates significant Shareholder risk and uncertainty.*
- *In excess of 30% of Bonterra Shareholders have already confirmed they WILL NOT TENDER to the Hostile Bid.*

For any questions please contact Bonterra's Information Agent, Laurel Hill Advisory Group at 1-877-452-7184 (+1-416-304-0211 outside North America) or email assistance@laurelhill.com.

CALGARY, AB, Oct. 6, 2020 /CNW/ - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or the "Company") today announced its Board of Directors (the "Board") has unanimously determined that Obsidian Energy Ltd.'s ("Obsidian") hostile "take-under" bid (the "Hostile Bid") to acquire Bonterra significantly undervalues the common shares of Bonterra ("Common Shares") and is **NOT** in the best interests of Bonterra, the holders of its Common Shares (the "Shareholders") or its other stakeholders and recommends Shareholders **REJECT** the Hostile Bid.

The Board today filed its Directors' Circular, which provides information for Shareholders about the Board's analysis, deliberations and recommendations pertaining to the Hostile Bid, along with information regarding Bonterra's prospects. The Directors' Circular is available at www.bonterraenergy.com and at www.sedar.com.

Within the Directors' Circular, the Board describes the reasons for its recommendations. Among other considerations, the Board notes:

- The Hostile Bid is a "take-under" bid and does not provide adequate value for Shareholders;
- Bonterra has already received notice that Shareholders representing in excess of 30% of the outstanding Common Shares WILL NOT TENDER their Common Shares to the Hostile Bid, including every member of the Bonterra Board and management;
- Peters & Co. Limited has delivered a written opinion to the Bonterra Board and the Special Committee that the consideration offered pursuant to the Hostile Bid is inadequate, from a financial point of view, to Shareholders;
- The Hostile Bid is highly opportunistic and timed to deprive Shareholders of recent positive market changes and value increasing initiatives achieved to date and that are being pursued by Bonterra;
- The Hostile Bid exposes Shareholders to an uncertain financing plan and a potential capital structure that could result in future dilution in equity ownership;
- Obsidian and its U.S. activist investor led management team have not demonstrated a track record of creating shareholder value or the ability to create a "Cardium Champion";
- The value of the consideration under the Hostile Bid is uncertain; and
- The Hostile Bid is highly conditional (15 separate conditions, several of which are highly unusual) and presents substantial completion risk.

Upon receipt of the Hostile Bid, the Board, operating through a Special Committee, engaged with financial and legal advisors to diligently review the Hostile Bid. Following receipt of the opinion of Peters & Co. Limited to the effect that, as of the date thereof and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration offered pursuant to the Hostile Bid is inadequate, from a financial point of view, to Shareholders and the unanimous recommendation of the Special Committee, the Board has **UNANIMOUSLY** determined that the Hostile Bid is inadequate and is not in the best interests of Bonterra, its Shareholders or other stakeholders. The Board unanimously recommends that Shareholders **REJECT** the Hostile Bid and **NOT** tender their Common Shares.

TAKE NO ACTION is required to reject the Hostile Bid.

If you have already tendered your Common Shares to the Hostile Bid , you can withdraw your Common Shares by contacting your broker or Laurel Hill Advisory Group toll free at 1-877-452-7184 (416-304-0211 outside North America) or via email at assistance@laurelhill.com.

Legal counsel to Bonterra is Borden Ladner Gervais LLP; legal counsel to the Special Committee is Davies Ward Phillips & Vineberg LLP; Peters & Co. is acting as financial advisor; and Laurel Hill Advisory Group is serving as Bonterra's strategic communications advisor and information agent.

Shareholder Questions

Shareholders with questions are encouraged to call Bonterra's information agent, Laurel Hill Advisory Group at 1-877-452-7184 (+1-416-304-0211 outside North America) or email assistance@laurelhill.com.

We encourage shareholders to subscribe to Bonterra Energy news releases through our website to ensure timely updates at https://bonterraenergy.mediaroom.com/email-alerts and follow Bonterra on Twitter @Bonterra_Energy.

About Bonterra

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. 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: the anticipated effect of the Hostile Bid and the actions of Shareholders in response to the Hostile Bid, the value increasing initiatives being pursued by the Company; 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.

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.

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

SOURCE Bonterra Energy Corp.

For further information: George F. Fink, Chairman and CEO; Robb D. Thompson, CFO, Telephone: (403) 262-5307, Fax: (403) 265-7488, Email: info@bonterraenergy.com

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https://bonterraenergy.mediaroom.com/2020-10-06-Bonterra-Energy-Corp-s-Board-of-Directors-Unanimously-REJECTS-Obsidian-Energy-Ltd-s-Offer-and-Advises-Shareholders-to-TAKE-NO-ACTION