NEWS RELEASE

Bonterra Energy Corp. Announces Second Quarter 2017 Financial and Operational Results

August 9, 2017 | CALGARY, ALBERTA - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX: BNE) ("Bonterra" or "the Company") is pleased to announce its operating and financial results for the three and six months ended June 30, 2017. The related unaudited condensed financial statements and notes, as well as management's discussion and analysis (MD&A), are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on Bonterra's website at www.bonterraenergy.com.

HIGHLIGHTS

As at and for the periods ended ($ 000s except for $ per share and $ per BOE)		Three months ended **June 30, 2017**	Three months ended June 30, 2016	Six months ended **June 30, 2017**	Six months ended June 30, 2016
FINANCIAL					
Revenue - realized oil and gas sales (1)		**52,695**	41,150	**102,025**	74,660
Funds flow (1)		**28,508**	29,765	**53,751**	46,137
Per share - basic and diluted		**0.86**	0.90	**1.61**	1.39
Dividend payout ratio		**35%**	33%	**37%**	43%
Cash flow from operations		**27,370**	13,392	**51,910**	24,538
Per share - basic and diluted		**0.82**	0.40	**1.56**	0.74
Dividend payout ratio		**37%**	75%	**38%**	81%
Cash dividends per share		**0.30**	0.30	**0.60**	0.60
Net earnings (loss)		**2,978**	(5,582)	**3,453**	(17,137)
Per share - basic and diluted		**0.09**	(0.17)	**0.10**	(0.52)
Capital expenditures, net of dispositions		**19,416**	9,420	**49,545**	11,103
Total assets				**1,173,936**	1,169,782
Working capital deficiency				**29,759**	18,429
Long-term debt				**341,070**	336,923
Shareholders' equity				**529,844**	564,075
OPERATIONS					
Oil	-barrels per day	**8,287**	7,780	**7,912**	8,052
	-average price ($ per barrel)	**58.27**	51.64	**59.39**	44.24
NGLs	-barrels per day	**843**	877	**828**	861
	-average price ($ per barrel)	**27.48**	20.79	**29.19**	17.81
Natural gas	- MCF per day	**24,138**	21,771	**23,196**	22,022
	- average price ($ per MCF)	**3.03**	1.48	**3.00**	1.75
Total barrels of oil equivalent per day (BOE) (2)		**13,153**	12,285	**12,606**	12,584

(1) Funds flow is not a recognized measure under IFRS. For these purposes, the Company defines funds flow as funds provided by operations including proceeds from sale of investments and investment income received excluding the effects of changes in non-cash working capital items and decommissioning expenditures settled.

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

Bonterra's second quarter financial and operating results improved significantly over the same period in 2016, and were modestly stronger than the first quarter. The Company's production averaged 13,153 BOE per day as a result of sixteen new operated wells being placed on production, compared to only two new wells in the second quarter of 2016, and five new horizontal wells in the previous quarter. Bonterra's first quarter 2017 capital budget had originally contemplated the completion and tie-in of 14 gross (11.2 net) horizontal wells but was restricted due to procurement and scheduling challenges with pumping service providers, and the remaining activity was completed in the second quarter, positively impacting volumes in Q2 2017.

Despite the expected seasonal impact of spring breakup, Bonterra was able to maintain its capital program for the first six months of the year by planning for the development of easily-accessible locations to coincide with spring breakup. This ability arises due to the Company's unique and concentrated infrastructure in the Pembina field which allows for continued drilling, completion and tying-in new production while other operators are subject to spring road bans. As a result of the capital deployed and increased activity level during the quarter, Bonterra increased its production by 1,100 BOE per day, despite having approximately 420 BOE per day shut-in due to third party-pipeline restrictions, non-operated facility turnarounds and extended wet weather conditions.

Q2 and the Six Months Ended June 30, 2017 Highlights

- Averaged 13,153 BOE per day of production during the quarter, an increase of nine percent over the previous quarter and seven percent over the same period in 2016, a direct result of production additions from sixteen new Cardium wells, but offset by approximately 420 BOE per day of shut-in volumes;
- Generated funds flow of $28.5 million ($0.86 per share), compared to $21.2 million ($0.64 per share) in Q2 2016 (before proceeds from the sale of investments of $8.5 million or $0.26 per share), and $25.2 million ($0.76 per share) in the first quarter of 2017. Funds flow for the six months ended June 30, 2017 totaled $53.8 million ($1.61 per share) compared to $37 million ($1.12 per share) for the same period in 2016 (before proceeds on the sale of investments of $9.1 million or $0.27 per share);
- During the first six months of 2017, Bonterra invested approximately $50 million, of which approximately $38 million was directed to drilling 21 gross operated (19.5 net) horizontal Cardium wells with related infrastructure costs, and an additional six gross (1.5 net) Cardium non-operated wells. In addition, the Company completed and tied-in 21 gross (18.1 net) wells (of which three (1.7 net) wells were drilled in 2016, but not completed until 2017), and directed $12 million towards infrastructure and other capital;
- Cash netbacks increased to $23.84 per BOE for the quarter, compared to $18.76 per BOE in Q2 2016, primarily as a result of increased commodity prices. Cash netbacks were $23.55 per BOE for the six months ended June 30, 2017, 61 percent higher than the $14.62 per BOE for the same period in 2016;
- On April 19, 2017 the Company successfully renewed its bank facilities at $380 million with no material change to terms or conditions; and
- Paid out $0.30 per share in cash dividends to shareholders in the second quarter ($0.60 per share during the first half of 2017), resulting in a payout ratio of 35 percent of funds flow (37 percent for first half 2017).

Following the execution of the Company's successful capital program in the first half of 2017, Bonterra had $341 million drawn on its renewed $380 million credit facility, which continues to provide the Company with sufficient liquidity and financial flexibility to execute its business plan. The increase in bank debt of $11 million over the end of the first quarter resulted from the Company investing greater than 70 percent of its initial 2017 annual capital budget in the first half of the year, which was compounded by the delays experienced in bringing on new production from wells drilled in Q1 2017 until Q2 2017. However, due to the incremental cash flow generated from higher production in the second quarter, the Company was able to maintain its second quarter net debt (defined as long-term debt plus working capital deficiency) at levels comparable to the end of the first quarter.

During the first half of 2017, WTI benchmark crude oil prices increased from lows of $30.62 US per bbl in February of 2016 to over $50.00 US per barrel into Q1 2017, but softened somewhat during Q2 2017, averaging $48.28 US per bbl. In spite of slightly weaker quarter over quarter benchmark commodity prices, Bonterra has experienced only a mild decline in funds flow in the second quarter compared to the first quarter due to increased production volumes.

Outlook

As a result of the drilling and completions investment through the first half of the year, Bonterra expects to maintain its current production levels of 13,000 BOE per day through the balance of 2017. Supported by an inventory of highly economic, low-risk drilling locations, the Company will continue pursuing its sustainable growth strategy focused on operational efficiencies, dividend management and debt reduction, with the goal of delivering attractive returns for shareholders across a variety of commodity price levels.

The Company averaged 12,606 BOE per day for the first six months of 2017. During the first quarter of 2017, Bonterra experienced scheduling delays with pumping service providers which resulted in new production from wells drilled during Q1 2017 being brought on in Q2 2017. Due to lower-than-anticipated commodity prices during Q2 2017, and continued price volatility, the Company has also elected to defer its Q3 2017 drilling program until the latter part of August. In addition, Bonterra has reduced its annual capital spending budget to approximately $65 million from its prior guidance of $70 million. Due to the aforementioned production delays, the deferral of the Q3 2017 drilling program until later in August, and the reduced capital program, the Company forecasts that production through the second half of 2017 will average approximately 13,000 to 13,200 BOE per day, which is expected to result in annual production of approximately 12,900 BOE per day compared to Bonterra's original 2017 guidance between 13,000 to 13,500 BOE per day.

Bonterra is a low-cost and low production decline producer whose attractive asset base offers significant exposure to the massive Pembina Cardium pool. The Company's large and oil weighted inventory of low-risk, highly economic undrilled locations supports its sustainable growth plus dividend model across a variety of commodity price levels, with significant torque to the upside in a rising oil price environment. The future for Bonterra remains positive and the Company will continue to manage the business conservatively for the benefit of shareholders.

Bonterra Energy Corp. is a conventional oil and gas corporation with operations in Alberta, Saskatchewan and British Columbia. The shares are listed on The Toronto Stock Exchange under the symbol "BNE".

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Cautionary Statements
This summarized news release should not be considered a suitable source of information for readers who are unfamiliar with Bonterra Energy Corp. and should not be considered in any way as a substitute for reading the full report. For the full report, please go to www.bonterraenergy.com

Use of Non-IFRS Financial Measures
Throughout this release the Company uses the terms "payout ratio" and "cash netback" to analyze operating performance, which are not standardized measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures are commonly utilized in the oil and gas industry and are considered informative

by management, shareholders and analysts. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies.

The Company calculates payout ratio by dividing cash dividends paid to shareholders by cash flow from operating activities, both of which are measures prescribed by IFRS which appear on our statements of cash flows. We calculate cash netback by dividing various financial statement items as determined by IFRS by total production for the period on a barrel of oil equivalent basis.

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.

Frequently recurring terms

Bonterra uses the following frequently recurring terms in this press release: “bbl” refers to barrel, “NGL” refers to Natural gas liquids, “MCF” refers to thousand cubic feet and “BOE” refers to barrels of oil equivalent. Disclosure provided herein in respect of a BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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.