Bonterra Energy Shareholders:

REJECT THE HOSTILE BID

Hostile Bid at a
SIGNIFICANT DISCOUNT
to Bonterra's trading price

Lack of plan creates significant shareholder
RISK & UNCERTAINTY

TSX: BNE

October 2020

Bonterra Energy Corp.

Hostile Bid

Background:

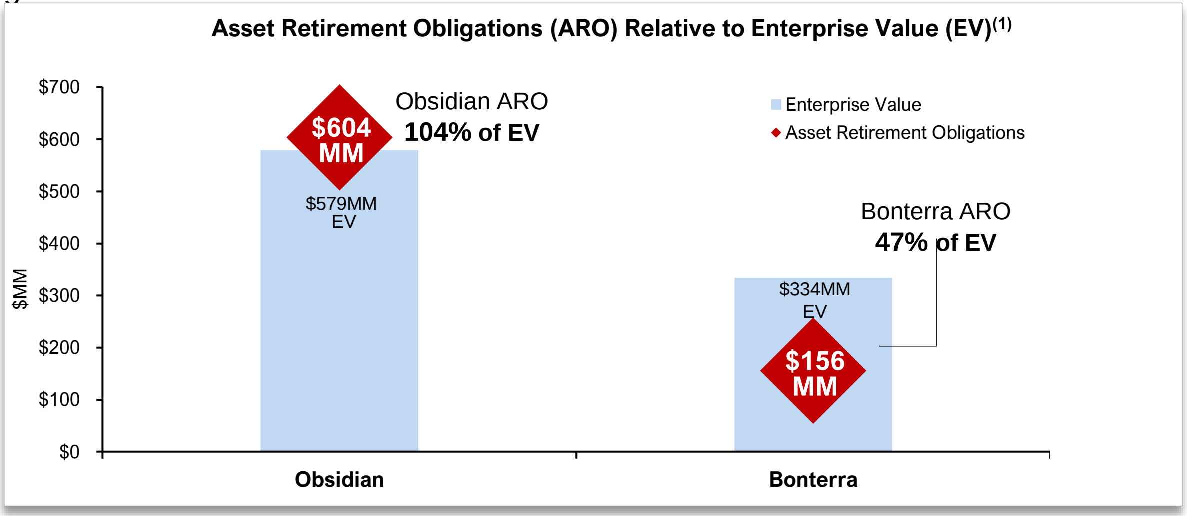
- On September 21, 2020, Obsidian formally commenced a hostile, negative premium "take-under" bid to acquire all of Bonterra's outstanding common shares
- Consideration under the Hostile Bid is 2 shares of Obsidian for every 1 share of Bonterra (which represents a discount based on the trading price of the two companies at the time of the original announcement)
- Bonterra's Board appointed a Special Committee to thoroughly review and assess the Hostile Bid
- Special Committee received a written opinion from its financial advisor that the Hostile Bid consideration being offered is inadequate, from a financial point of view, to Bonterra Shareholders
- Bonterra already received notice that >**30%** of Shareholders **WILL NOT TENDER**, including all members of Management and Directors

BONTERRA'S BOARD UNANIMOUSLY REJECTS THE HOSTILE BID

Reasons to Reject

The Board recommends Shareholders **REJECT** the Hostile Bid for the following reasons:

- X The Hostile Bid represented a 29% discounted "take-under" offer price when initially announced
- X Obsidian includes a going concern note in its take-over bid circular such that Bonterra shareholders should consider if they would be tendering into an insolvent company
- X Obsidian's U.S. activist investor-led management team lacks a demonstrated track record of creating shareholder value and has stated in its take-over bid circular it has no plans for Bonterra's assets
- X The Hostile Bid is highly opportunistic and timed to deprive Bonterra shareholders of recent positive market changes and value-increasing initiatives
- X The Hostile Bid is highly conditional with substantial completion risk
- X Obsidian's higher environmental liabilities leave Bonterra's shareholders carrying a disproportionate allocation of long-term obligations



(1) Obsidian undiscounted and uninflated ARO as per Obsidian Q2/2020 financials (effective June 30, 2020). Bonterra uninflated and undiscounted ARO as per Bonterra management disclosure (effective June 30, 2020). Enterprise value based on June 30, 2020 net debt, utilizing the USD/CAD exchange rate as at October 5, 2020, and closing share prices as at October 5, 2020. Net debt calculated as long/short term indebtedness plus lease liabilities (including office lease provisions), less any working capital surplus (excluding risk management contracts).

Bonterra's Value Increasing Initiatives

- Continue pursuing the development of high-quality assets in a prudent, cost effective and efficient manner
- The Hostile Bid does not attribute any value to the potential future success of Bonterra's actions to increase shareholder value
- Positioned to take rapid action to leverage an improved pricing environment with ongoing focus on generating funds flow[1]
- Continue to evaluate and implement opportunities to further capture cost savings and operational efficiencies

Initiatives include:

✓ **Approval for up to $104 million** of committed credit availability from BDC, EDC and SRP, subject to legal and banking agreements;

✓ **Further net debt reduction focus** by continuing to target proactive cost reduction initiatives supported by our low corporate decline rate of approximately 21%;

✓ Continuing to responsibly **develop Bonterra's more than 700 identified multi-zone drill locations**, including 298 (net) booked locations on over 470 sections of land; and

✓ **Building on cost reductions** achieved during the first half of 2020, which included lowering annual operating costs and G&A by ~$5 million, a 7% improvement over 2019 levels.

(1) Funds flow does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities. See "Use of Non-IFRS Financial Measures" in Bonterra's Management's Discussion & Analysis.

Corporate Snapshot

Financial	TSX: BNE
Common Shares Outstanding	33.4 million
Insider Ownership	15%
Tax Pools at June 30, 2020	$404 million
Tax Horizon	~2022
Q2 2020 Exit Net Debt	~$299 million
Bank Line	$300 million ($278 million drawn at Q2 2020 exit)
Operational	
Oil and Liquids Production Weighting	65% (54% oil / 11% liquids)
Natural Gas Production Weighting	35%
Average Corporate Production Decline Rate	~21%
Reserve Life Index (PDP)	8 years
Reserve Life Index (1P)	17 years
Reserve Life Index (2P)	21 years

$18.9

Million of Funds Flow Generated in 1H 2020

11,108

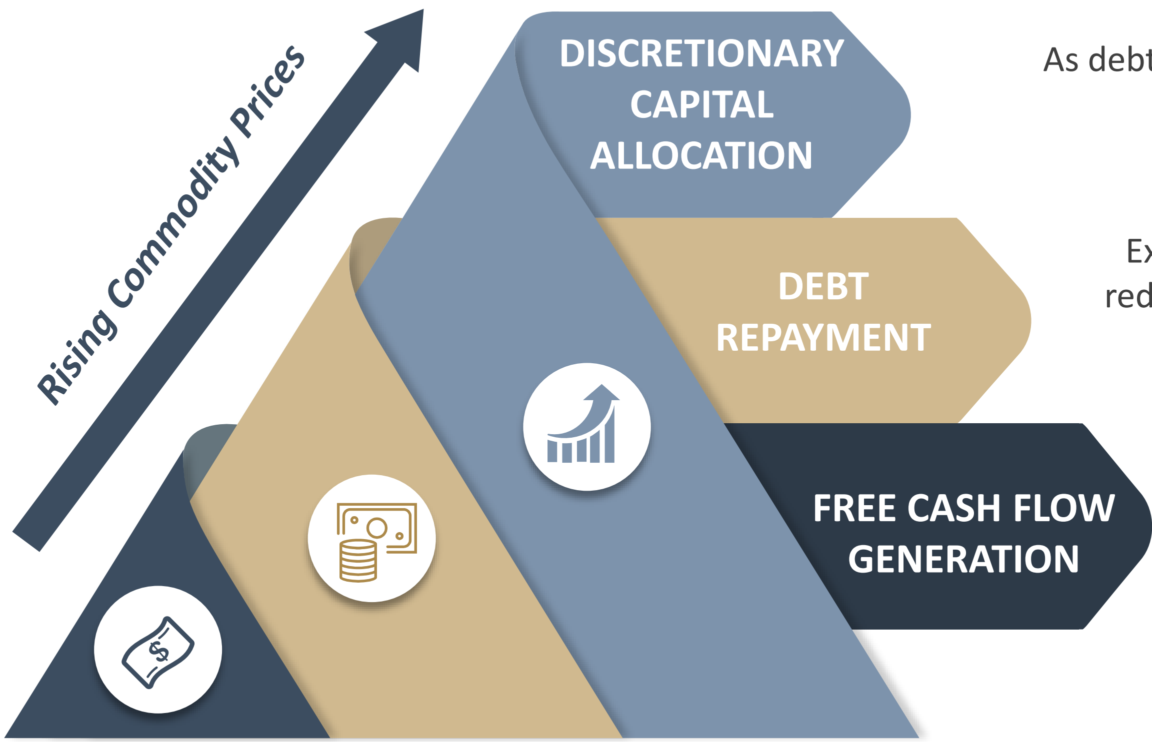
BEO per day of production Generated in 1H 2020

4%

Reduction in Net Debt in Q2 2020 vs Q2 2019

Bonterra Consistent Strategy

Bonterra's focus will remain on generating strong, sustainable free cash flow which can be directed to debt reduction and capital spending when supported by commodity prices



As debt is reduced, focus on generating long-term, sustainable value

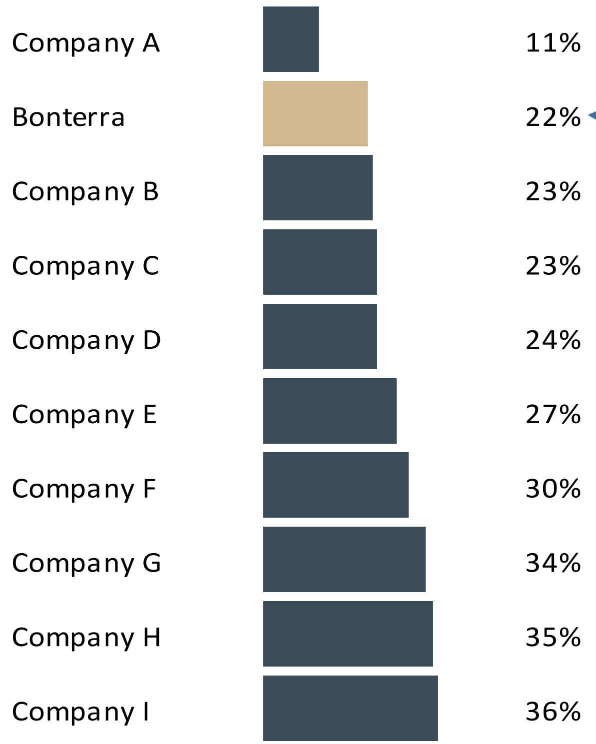
Excess free cash flow will be directed to reduce overall debt; with lower leverage, assess increases to the capital budget

Low corporate decline rate ensures minimal capital required to sustain production, which supports maximizing free cash flow

Strong Pre-COVID-19 Viability

Bonterra's low decline asset base is well positioned for an oil price recovery

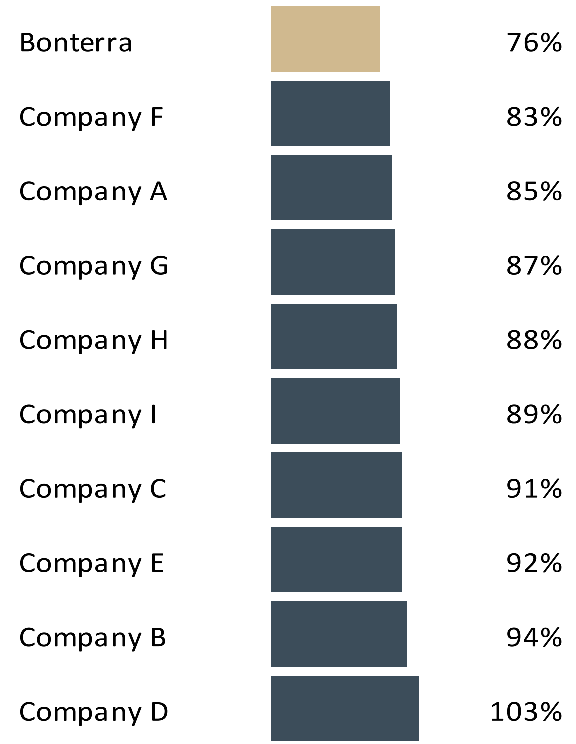
2020E Decline Rate (%) (1)



Maintaining a low corporate declines means Bonterra only needs to spend modest capital each year to keep volumes stable

With a low Total Payout Ratio, Bonterra generates free cash flow that can be used for debt repayment, drilling or other growth initiatives

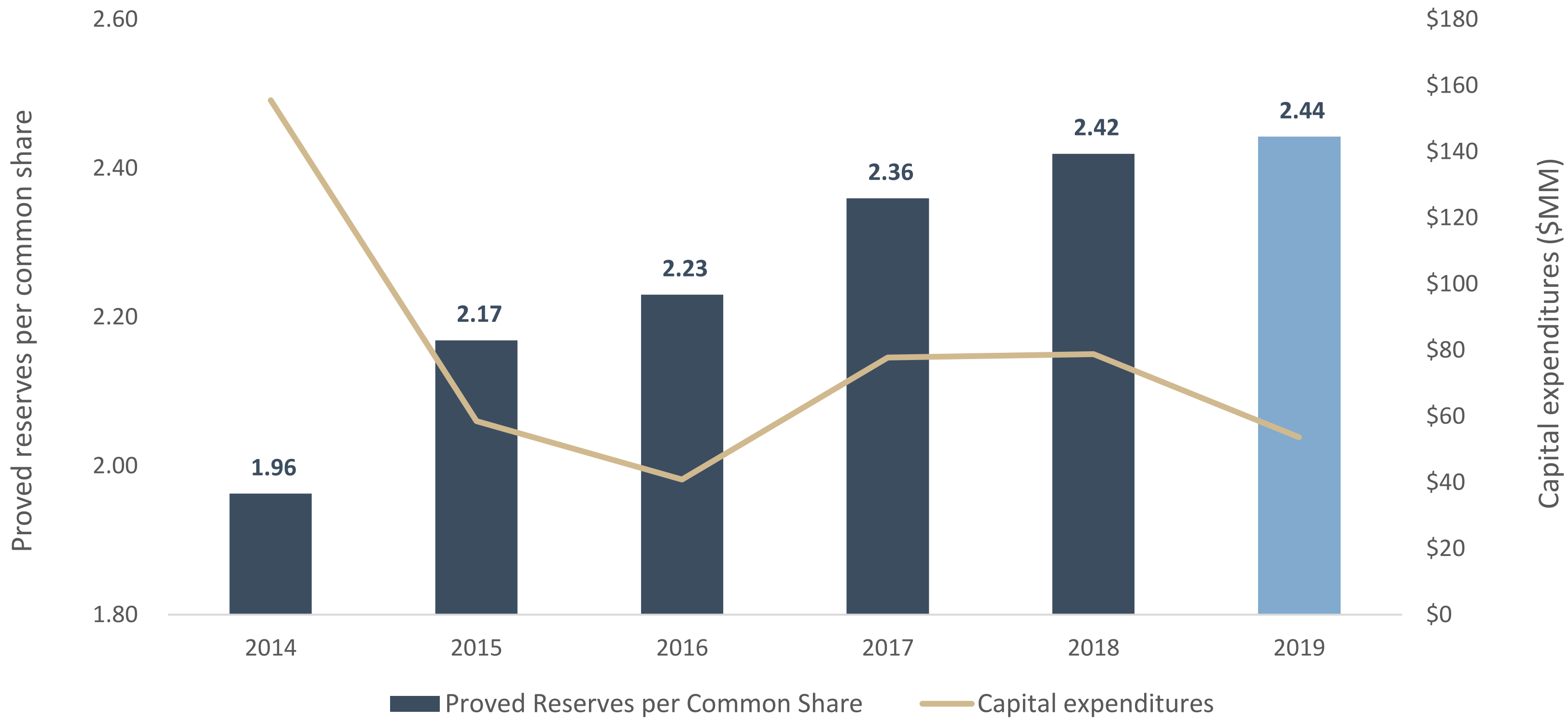
2020E Total Payout Ratio (%) (1)(2)



Note: Peers include BTE, CJ, CPG, GXE, SGY, TOG, TVE, WCP, and YGR
1) Estimates as per Peters & Co. research, as at January 13, 2020
2) Total payout calculated based on estimated capital spending required to keep average production flat year over year, plus dividends, as a percentage of cash flow

Consistent Reserves per Share Growth

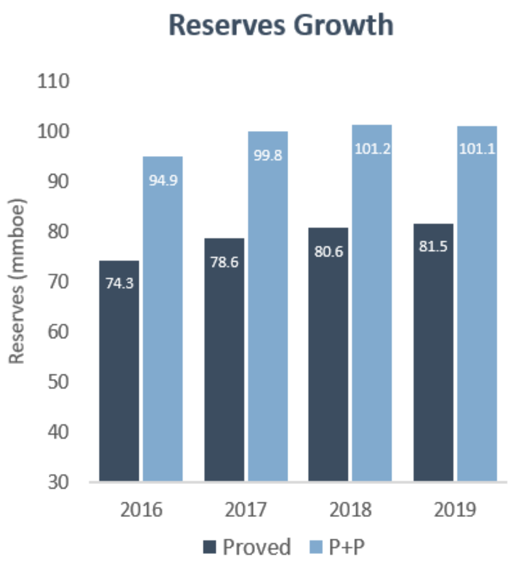
Bonterra's demonstrated track record of growing reserves per share, including with lower capital, is critical in supporting long-term sustainability

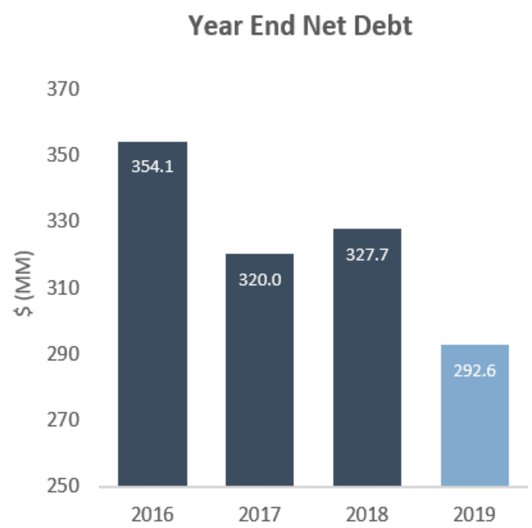


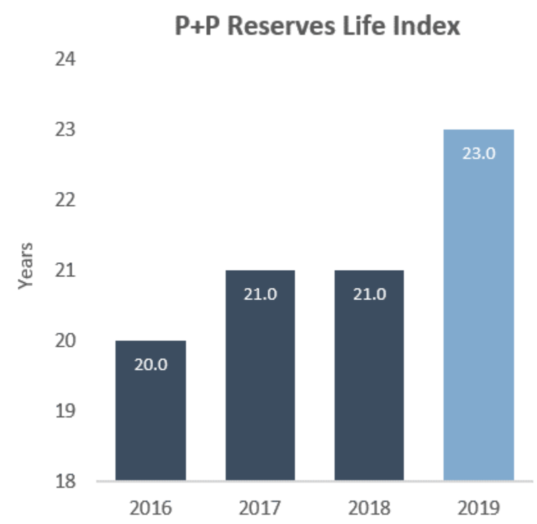
Low risk asset base (80% total proved) supports P+P growth under a disciplined capital plan due to the predictable and reliable nature of the Cardium

Strategic Track Record

Bonterra's demonstrated track record of reserves growth is critical in supporting long-term sustainability







10%

Increase in Proved Reserves from 2016 to 2019

11%

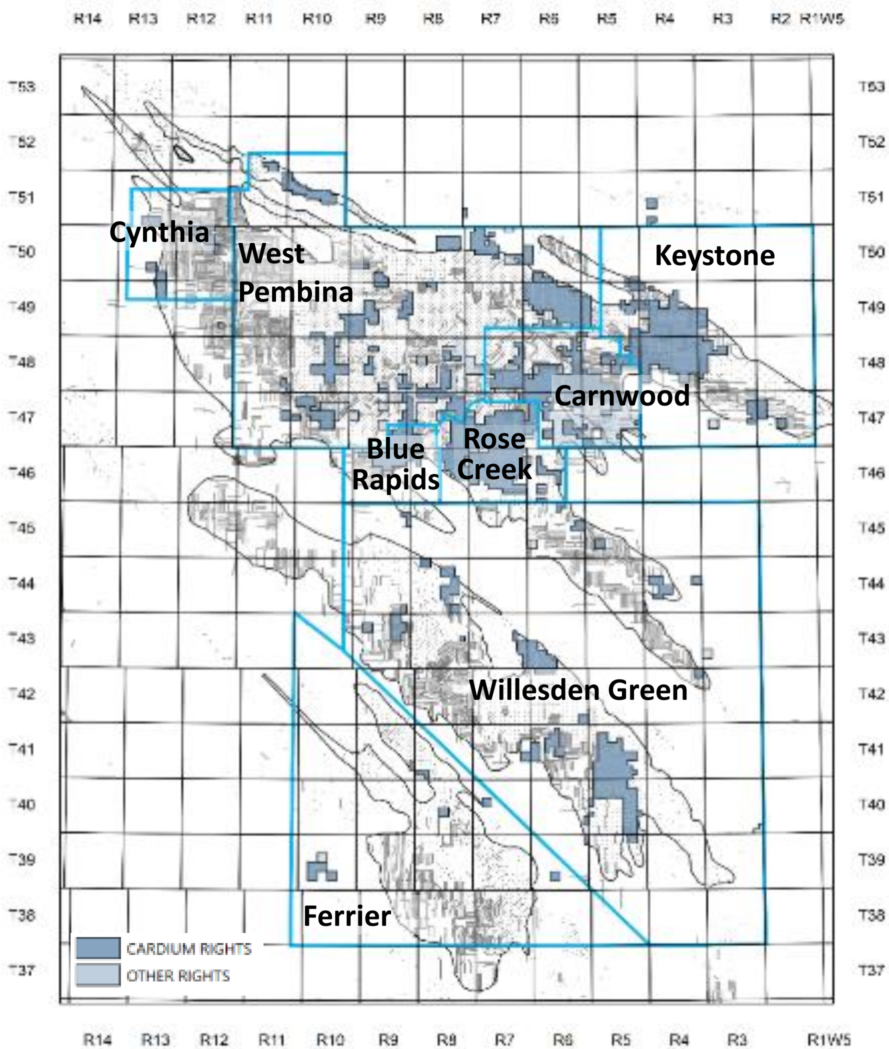
Decrease in Net Debt 2019 vs 2018

23 years

2019 Reserve Life Index ("RLI")

Long-Term Opportunities in the Cardium

Concentrated assets in the Pembina Cardium oil pool support efficient operations and offer exposure to significant upside through a large inventory of low-risk, highly economic undrilled locations



Pembina & Willesden Green Lands by the Numbers

473 gross
Sections of land (312 net)

92%
Operated Production

101.2 MBOE
P+P Reserves

298 net
Booked locations

700+ net
Internally identified multi-zone locations

21 years
Reserve Life Index (P+P)

Our Responsibility – Environmental, Social and Governance

HEALTH, SAFETY AND ENVIRONMENT (HS&E)

- Apply minimal disturbance drilling techniques to reduce the overall impact to the environment
- 99% routine gas conservation
- Fugitive emission leak detection program in place to identify leaks or unintended release of gases with testing completed on 100% of facilities
- Installation of vapor recovery units since 2015 to eliminate emissions from tank farms
- Provide timely and effective responses to any incidents that may occur, enabling rapid recoveries and conducting thorough incident investigations - over 90% of spills are identified in less than 12 hours and with no claims through insurance
- Employ a vigorous asset integrity program to ensure the safe operation of our assets – 100% visual review of all pipelines along with scheduled annual testing of 100% of high risk/high consequence pipelines

SOCIAL RESPONSIBILITY

- Consult with internal and external stakeholders who are impacted by our operations and remain committed to working with involved parties to resolve any concerns or questions that may arise
- Winner of 2020 Pro-Local Award as a Company that has proven for years that it cares and supports Drayton Valley with support of local oil field services
- Member of Explorers and Producers Association of Canada (EPAC) supporting Canada's conventional energy producers and industry employees across Western Canada

PRIORITIZING CORPORATE GOVERNANCE

- Refreshed Board including new members, Ms. Ricci and Mr. Campbell, with complementary backgrounds
- Diverse board membership with 20% female representation; 80% independent
- All Board committees (Audit; Policy, Governance, Nominations; Compensation; Reserves) are majority independent with independent chairs
- Reduced average Board tenure by 29% to 7.5 years in 2020 (including Ms. Ricci & Mr. Campbell)
- Our governance policies include written documents such as a Diversity Policy, Business Code of Conduct and a Whistleblower policy

Shareholder Questions?

THIS HOSTILE BID IS NOT IN BONTERRA SHAREHOLDERS' BEST INTERESTS

DO NOT TENDER YOUR SHARES

THERE IS NO NEED TO TAKE ANY ACTION. IF YOU HAVE ALREADY TENDERED YOUR COMMON SHARES TO THE HOSTILE BID, YOU CAN WITHDRAW THEM BY CONTACTING YOUR BROKER.

Laurel Hill Advisory Group

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Appendix

Corporate Information

OFFICERS

George F. Fink
CEO & Chairman of the Board

Robb D. Thompson
CFO & Corporate Secretary

Adrian Neumann
Chief Operating Officer

Brad A. Curtis
Senior VP, Business Development

DIRECTORS

George F. Fink
Randy M. Jarock
Rodger A. Tourigny
Jay J. Campbell
Jacqueline R. Ricci

HEAD OFFICE

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BANKS

CIBC
National Bank of Canada
The Toronto Dominion Bank
Alberta Treasury Branches
Business Development Bank of Canada

INDEPENDENT RESERVE ENGINEER

Sproule Associates Limited

LEGAL COUNSEL

Borden Ladner Gervais LLP

AUDITORS

Deloitte LLP

REGISTRAR & TRANSFER AGENT

Odyssey Trust Company of Canada

STOCK EXCHANGE LISTING

TSX: BNE

Forward Looking Information

Certain statements contained in this Presentation include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements 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 Presentation includes, but is not limited to: expected cash provided by continuing operations; 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 combined business and operations; and maintenance of existing supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters. Forward-looking information in this Presentation also includes, but is not limited to, the timing and amount of future dividend payments by Bonterra.

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. The foregoing factors are not exhaustive.

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 so, 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 term barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

Forward Looking Information

DRILLING LOCATIONS:

This presentation discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations, which are sometimes collectively referred to as “booked locations”, are derived from the Company’s most recent independent reserves evaluation as prepared by Sproule as of December 31, 2018 and account for drilling locations that have associated proved or probable reserves, as applicable. Unbooked locations are internal estimates based on the Company’s prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 700+ Net drilling locations identified herein, 294 are net proved locations, 4 are net probable locations and 400+ are net unbooked locations. Unbooked locations have specifically been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, and engineering, production and reserves data on prospective acreage and geologic formations. There is no certainty that we will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The locations that Bonterra drills will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.