



Obsidian Energy Announces Extension to our Syndicated Credit Facility and Provides Hedging Update

CALGARY, February 24, 2021 - OBSIDIAN ENERGY LTD. (TSX – OBE, OTCQX – OBELF) (“**Obsidian Energy**”, the “**Company**”, “**we**”, “**us**” or “**our**”) announces an extension of our syndicated credit facility to March 31, 2021 and provides a hedging update.

CREDIT FACILITY EXTENSION

The Company has entered into an agreement with lenders to extend our syndicated credit facility to March 31, 2021. The syndicated credit facility has an underlying borrowing base of \$550 million with \$450 million available to be drawn; both amounts remain unchanged. Under the agreement, the syndicated credit facility continues to be available on a revolving basis until March 31, 2021, subject to further extensions, with the end date of the term period remaining on November 30, 2021.

HEDGING UPDATE

The Company continues to add incremental hedges to our hedge book at recent price levels with the following financial oil and natural gas hedges and physical oil and differential hedges in place:

Financial

2021			
Oil	February	March	April
WTI C\$/bbl	\$64.33	\$68.37	\$74.83
Total bbl/d	6,250	6,550	2,250

2021					
Natural gas	February	March	April	May	June
C\$/mcf	\$2.94	\$2.96	\$2.83	\$2.68	\$2.67
Total mcf/d	23,700	26,060	23,700	21,325	21,325

Physical

2021					
Oil ¹	February	March	April	May	June
WTI C\$/bbl	\$55.24	\$55.24	\$59.04	\$59.04	\$59.04
Total bbl/d	581	524	577	558	577

(1) WTI, differentials and foreign exchange hedged to lock-in positive net operating income on certain heavy oil properties.

	2021					
Light oil differential	April	May	June	July	August	September
CAD^{1,2}						
WTI C\$/bbl	\$5.51	\$5.51	\$5.51	\$5.82	\$5.82	\$5.82
Total bbl/d	1,259	1,218	1,259	1,218	1,218	1,259
USD¹						
WTI US\$/bbl	\$4.00	\$4.00	\$4.00	\$4.42	\$4.42	\$4.42
Total bbl/d	1,573	1,522	1,573	1,522	1,522	1,573

(1) Differentials completed on a WTI - MSW basis.

(2) Completed on a US\$ WTI - US\$ MSW basis and converted to Canadian dollars using a fixed foreign exchange ratio of CAD/USD \$1.281 in the second quarter of 2021 and \$1.279 in the third quarter of 2021.

	2021		
Heavy oil differential	July	August	September
CAD¹			
WTI C\$/bbl	\$14.85	\$14.85	\$14.85
Total bbl/d	558	558	577

(1) Differentials completed on a WTI - WCS basis.

ADDITIONAL READER ADVISORIES

OIL AND GAS INFORMATION ADVISORY

Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value. Boe/d means barrels of oil equivalent per day.

Abbreviations

Oil		Natural Gas	
bbl	barrel or barrels	NGL	Natural Gas Liquid
bbl/d	barrels per day	mcf	thousand cubic feet
boe/d	barrels of oil equivalent per day	mcf/d	thousand cubic feet per day
WTI	West Texas Intermediate		
MSW	Mixed Sweet Blend		
WCS	Western Canada Select		

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking statements or information (collectively "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "budget", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target" and similar words suggesting future events or future performance. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the extension of our syndicated credit facility to March 31, 2021, subject to further extensions and option to complete a borrowing base determination, with end date of the term period set at November 30, 2021; and hedges.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: we will have the ability to continue as a going concern going forward and realize our assets and discharge our liabilities in the normal course of business; our ability to complete

asset sales and the terms and timing of any such sales; the impact of regional and/or global health related events on energy demand; global energy policies going forward; the economic returns that we anticipate realizing from expenditures made on our assets; future crude oil, natural gas liquids and natural gas prices and differentials between light, medium and heavy oil prices and Canadian, WTI and world oil and natural gas prices; future capital expenditure levels; future crude oil, natural gas liquids and natural gas production levels; drilling results; future exchange rates and interest rates; future taxes and royalties; the continued suspension of our dividend; our ability to execute our capital programs as planned without significant adverse impacts from various factors beyond our control, including weather, infrastructure access and delays in obtaining regulatory approvals and third party consents; our ability to obtain equipment in a timely manner to carry out development activities and the costs thereof; our ability to market our oil and natural gas successfully; our ability to obtain financing on acceptable terms, including our ability to renew or replace our reserve based loan; that we are able to move forward through the various reconfirmation, redetermination dates with the credit facility and our ability to finance the repayment of our senior secured notes on maturity; and our ability to add production and reserves through our development and exploitation activities.

Although Obsidian Energy believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Obsidian Energy can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; the possibility that the semi-annual borrowing base re-determination under our reserve-based loan is not acceptable to the Company or that we breach one or more of the financial covenants pursuant to our amending agreements with holders of our senior secured notes; the impact that any government assistance programs could have on the Company in connection with, among other things, the COVID-19 pandemic and other regional and/or global health related events; the possibility that we are not able to continue as a going concern and realize our assets and discharge our liabilities in the normal course of business; the impact on energy demands due to regional and/or global health related events; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Obsidian Energy, or its operations or financial results, are included in the Company's Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) which may be accessed through the SEDAR website (www.sedar.com), EDGAR website (www.sec.gov) or Obsidian Energy's website.

Unless otherwise specified, the forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward.

All figures are in Canadian dollars unless otherwise stated.

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