



Obsidian Energy Announces Closing of the Peace River Oil Partnership Acquisition

CALGARY, November 24, 2021 - OBSIDIAN ENERGY LTD. (TSX – OBE, OTCQX – OBELF) ("**Obsidian Energy**", the "**Company**", "**we**", "**us**" or "**our**") is pleased to announce it has closed its previously announced acquisition of the remaining 45 percent interest in the Peace River Oil Partnership ("**PROP**") asset through a wholly-owned subsidiary (the "**Acquisition**").

"We're extremely pleased to have successfully completed this acquisition," said Stephen Loukas, Obsidian Energy's Interim President and CEO. "With full ownership and the current favorable commodity price outlook, we are executing a four well development drilling program that is expected to be on production by the end of January 2022."

Total consideration paid was \$43.5 million prior to closing adjustments with an effective date of July 1, 2021 (\$36.0 million after closing adjustments). The cash consideration for the Acquisition was funded by a \$16.3 million limited-recourse loan secured by the additional 45 percent interest in PROP, and proceeds from our marketed public offering of subscription receipts (the "**Subscription Receipts**"), which closed on November 18, 2021 (the "**Offering**"). The Offering was priced at \$4.40 per Subscription Receipt for aggregate gross proceeds of approximately \$25.9 million, which included the full exercise of the over-allotment option granted to the agents, Raymond James Ltd. and Stifel Nicolaus Canada Inc.

Concurrent with the completion of the Acquisition, the Subscription Receipts are being converted into Obsidian Energy common shares ("**Common Shares**") on November 24, 2021. The net proceeds from the Offering were released from escrow and used to facilitate the partial funding of the cash consideration payable under the Acquisition. Holders of Subscription Receipts are not required to take any action in order to receive the underlying Common Shares. Trading in the Subscription Receipts on the Toronto Stock Exchange is expected to be halted today and the Subscription Receipts delisted in due course.

In connection with the closing of the Acquisition, the Company has reduced the aggregate amount available under our senior credit facility ("**Facility**") by \$25 million resulting in \$415 million total available under the Facility. At September 30, 2021, the Company had \$340 million drawn under the Facility. All other material terms of the Facility have remained the same with the next borrowing base redetermination scheduled for November 30, 2021, and a term out date of November 30, 2022. At the same time, the Company repaid approximately US\$3.0 million of our Senior Notes, which leaves approximately US\$43.3 million outstanding with a maturity date of November 30, 2022.

In 2022, we plan to refinance our debt facilities with the objective of incorporating senior and subordinated debt in the structure to provide the Company with a stable capital source that provides operational liquidity and a longer-term maturity profile.

UPDATED CORPORATE PRESENTATION

For further information on these and other matters, an updated corporate presentation will be available after market close today on our website, www.obsidianenergy.com.

ADDITIONAL READER ADVISORIES

This news release is not an offer of the securities for sale in the United States. The securities offered have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward-looking statements and information concerning the anticipated onstream date of certain wells, the expected trading halt timing and delisting of the Subscription Receipts on the TSX, the anticipated redetermination and term out date of the Facility; Obsidian Energy's plan to refinance our debt structure and the anticipated benefits and timing thereof and when our updated corporate presentation will be posted on our website.

The forward-looking statements and information are based on certain key expectations and assumptions made by Obsidian Energy, including expectations and assumptions that: the Company does not dispose of or acquire material producing properties or royalties or other interests therein; the impact of regional and/or global health related events, including the ongoing COVID-19 pandemic, on energy demand and commodity prices; that the Company's operations and production will not be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic; global energy policies going forward, including the continued ability of members of OPEC, Russia and other nations to agree on and adhere to production quotas from time to time; our ability to qualify for (or continue to qualify for) new or existing government programs created as a result of the COVID-19 pandemic (or otherwise), and obtain financial assistance therefrom, and the impact of those programs on our financial condition; our ability to execute our plans as described herein and in our other disclosure documents and the impact that the successful execution of such plans will have on our Company and our stakeholders; future capital expenditure and decommissioning expenditure levels; future operating costs and G&A costs; 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 hedging activities; future crude oil, natural gas liquids and natural gas production levels, including that we will not be required to shut-in additional production due to low commodity prices or the further deterioration of commodity prices; future exchange rates and interest rates; future debt levels; our ability to execute our capital programs as planned without significant adverse impacts from various factors beyond our control, including extreme weather events, wild fires, 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 to current and new customers; our ability to obtain financing on acceptable terms, including our ability (if necessary) to continue to extend the revolving period and term out period of our credit facility, our ability to maintain the existing borrowing base under our credit facility, our ability to renew or replace our syndicated bank facility and our ability to finance the repayment of our senior 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 statements and information are based are reasonable, undue

reliance should not be placed on the forward-looking statements and information because Obsidian Energy can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to: the possibility that the Company will not be able to continue to successfully execute our business plans and strategies in part or in full, and the possibility that some or all of the benefits that the Company anticipates will accrue to our Company and our stakeholders as a result of the successful execution of such plans and strategies do not materialize; the possibility that the Company ceases to qualify for, or does not qualify for, one or more existing or new government assistance programs implemented in connection with the COVID-19 pandemic and other regional and/or global health related events or otherwise, that the impact of such programs falls below our expectations, that the benefits under one or more of such programs is decreased, or that one or more of such programs is discontinued; the impact on energy demand and commodity prices of regional and/or global health related events, including the ongoing COVID-19 pandemic, and the responses of governments and the public to the pandemic, including the risk that the amount of energy demand destruction and/or the length of the decreased demand exceeds our expectations; the risk that the significant decrease in the valuation of oil and natural gas companies and their securities and the decrease in confidence in the oil and natural gas industry generally that has been caused by the COVID-19 pandemic persists or worsens; the risk that the COVID-19 pandemic adversely affects the financial capacity of the Company's contractual counterparties and potentially their ability to perform their contractual obligations; the possibility that the revolving period and/or term out period of our credit facility and the maturity date of our senior notes is not further extended (if necessary), that the borrowing base under our credit facility is reduced, that the Company is unable to renew our credit facilities on acceptable terms or at all and/or finance the repayment of our senior notes when they mature on acceptable terms or at all and/or obtain debt and/or equity financing to replace one or both of our credit facilities and senior notes; the possibility that we breach one or more of the financial covenants pursuant to our agreements with our lenders and the holders of our senior notes; the possibility that we are forced to shut-in production, whether due to commodity prices or changes to existing government curtailment programs or the imposition of new programs; the risk that OPEC, Russia and other nations fail to agree on and/or adhere to production quotas from time to time that are sufficient to balance supply and demand fundamentals for crude oil; general economic and political conditions in Canada, the U.S. and globally, and in particular, the effect that those conditions have on commodity prices and our access to capital; industry conditions, including fluctuations in the price of crude oil, natural gas liquids and natural gas, price differentials for crude oil and natural gas produced in Canada as compared to other markets, and transportation restrictions, including pipeline and railway capacity constraints; fluctuations in foreign exchange or interest rates; unanticipated operating events or environmental events that can reduce production or cause production to be shut-in or delayed (including extreme cold during winter months, wild fires and flooding); the possibility that fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to hydrocarbons and technological advances in fuel economy and renewable energy generation systems could permanently reduce the demand for oil and natural gas and/or permanently impair the Company's ability to obtain financing on acceptable terms or at all, and the possibility that some or all of these risks are heightened as a result of the response of governments and consumers to the ongoing COVID-19 pandemic. Readers are cautioned that the foregoing lists of factors are not exhaustive. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. Obsidian Energy gives no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits Obsidian Energy will derive from them. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements. 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. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Obsidian Energy Common Shares are listed on both the TSX in Canada and the OTCQX Market in the United States under the symbol "OBE" and "OBELF" respectively.

All figures are in Canadian dollars unless otherwise stated.

CONTACT

OBSIDIAN ENERGY

Suite 200, 207 - 9th Avenue SW, Calgary, Alberta T2P 1K3

Phone: 403-777-2500

Toll Free: 1-866-693-2707

Website: www.obsidianenergy.com;

Investor Relations:

Toll Free: 1-888-770-2633

E-mail: investor.relations@obsidianenergy.com