

OBSIDIAN ENERGY POLICIES



DIRECTOR AND EXECUTIVE SHARE OWNERSHIP POLICY

Approved by: Board of Directors

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Updated: March 11, 2015

Updated: March 9, 2016

Updated: November 1, 2016

INTRODUCTION

Obsidian Energy Petroleum Ltd. ("**Obsidian Energy**") has adopted share ownership guidelines for its directors and executive employees in order to emphasize the importance of Obsidian Energy directors and executives building and maintaining ownership of Obsidian Energy common shares ("**Shares**"). This Policy outlines the specific Share ownership requirements for directors and executive employees, the executive employees to whom the executive requirements apply, and the manner in which Share ownership will be determined.

POLICY

Director Share Ownership Requirements

Each member of the board of directors (the "**Board**") of Obsidian Energy who is not a full-time employee of Obsidian Energy or any of its affiliates, other than the Chairman of the Board, is required to meet and maintain ownership of a minimum value of Shares representing at least three times the Board's total annual retainer within a period expiring five years from the later of: (a) November 1, 2016; and (b) the date of their election or appointment to the Board.

The Chairman of the Board of Obsidian Energy is required to meet and maintain ownership of a minimum value of Shares representing at least three times the Chairman's total annual retainer (being the annual Board member retainer plus the annual Chairman of the Board retainer) within a period expiring five years from the later of: (a) January 1, 2011; and (b) the date of the Chairman's appointment as Chairman of the Board.

Executive Share Ownership Requirements

Each executive employee of Obsidian Energy is required to meet and maintain ownership of the applicable minimum value of Shares set forth below, within a period expiring five years from the later of: (a) January 1, 2011; and (b) the date of their appointment to their executive position at Obsidian Energy:

Category of Executive	Share Ownership Required (multiple of base salary)
Chief Executive Officer	4 times
President	4 times
Executive Vice Presidents	2 times
Senior Vice Presidents	1.5 times
Vice Presidents	1 times

Eligible Ownership

In calculating ownership status, Obsidian Energy will include the value of Shares owned, directly or indirectly, by the director or executive, as disclosed on Canada's System for Electronic Disclosure by Insiders ("**SEDI**"). In addition, any Shares acquired and held through Obsidian Energy's Employee Retirement Savings Plan, and any deferred share units vested but not yet redeemed under Obsidian Energy's Directors' Deferred Share Unit Plan, will be included in the total value of Shares owned, whether or not they have yet been disclosed on SEDI. Stock options that have been granted, but have not been exercised, will be excluded for the purpose of calculating the value of Shares owned. Any Shares acquired pursuant to the exercise of stock options, and not subsequently sold, will be included in the calculation of ownership.

Price for Calculations

Determinations of the value of Shares owned by any director or executive will be made using the market value based on trading price of Shares on the Toronto Stock Exchange. In the event that the market value of Shares owned by a director or executive falls below the original purchase price actually paid by the director or executive for such Shares, the original purchase price may be used when calculating the director or executive's Share ownership.