



# Obsidian Energy Ltd.

Annual & Special Meeting Presentation

June 16, 2022



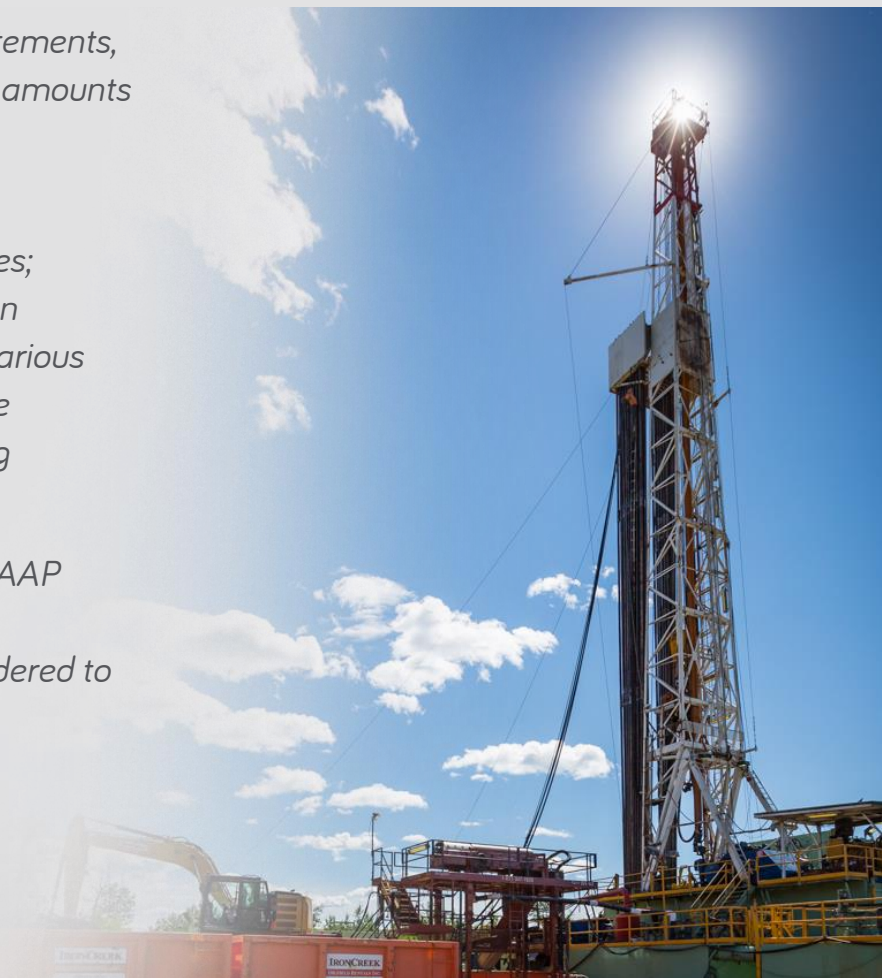


# ADVISORY

*This presentation should be read in conjunction with the Company's unaudited consolidated financial statements, Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2022. All dollar amounts contained in this presentation are expressed in millions of Canadian dollars unless otherwise indicated.*

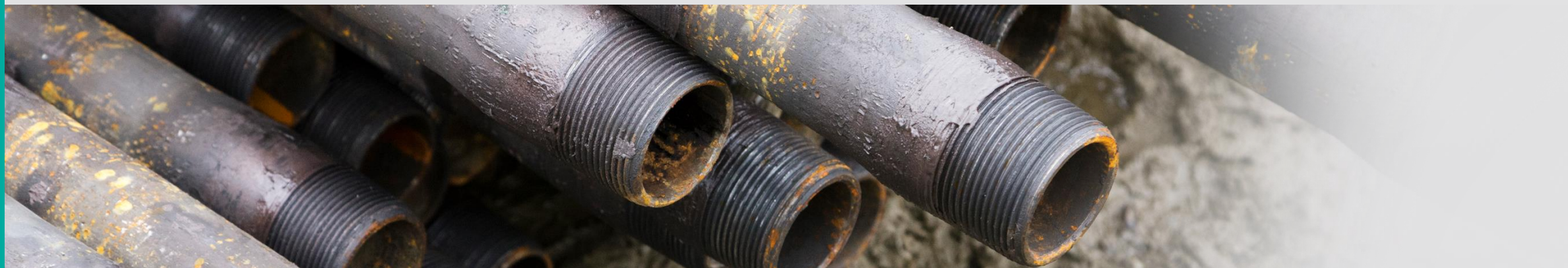
*Certain financial measures included in this presentation do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore are considered Non-GAAP measures; accordingly, they may not be comparable to similar measures provided by other issuers. This presentation also contains oil and gas disclosures, various industry terms, and forward-looking statements, including various assumptions on which such forward-looking statements are based and related risk factors. Please see the Company's disclosures located in the Endnotes at the end of this presentation for further details regarding these matters.*

*All slides in this presentation should be read in conjunction with "Definitions and Industry Terms", "Non-GAAP Measure Advisory", "Non-GAAP Measures Reconciliation", "Oil and Gas Information Advisory", "Reserves Disclosure and Definitions Advisory" and "Forward-Looking Information Advisory". All locations are considered to be drilling opportunities unless otherwise noted.*



# INVESTMENT HIGHLIGHTS

An efficient producer with operational strength, providing growth potential



## PRODUCTION

Low decline, oil-weighted asset base with significant underlying reserves and peer leading well results



## WILLESDEN GREEN & PEMBINA

Largest acreage holder in a world class, low decline, light oil Cardium resource



## PEACE RIVER

High-quality cold-flow, low decline heavy oil Bluesky resource  
Upside emerging from Clearwater oil play



## INFRASTRUCTURE

Control of strategic infrastructure allows production growth with minimal spend



## OPTIONALITY

Flexible and responsive to commodity price changes at minimal cost  
Additional upside via diverse asset base, waterflood management and EOR projects



## ESG

Committed to strong ESG practices, including minimizing environmental impact

# CORPORATE OVERVIEW

World class assets and experienced team delivering value

People, assets, discipline, return-focus and execution strength

## CORPORATE SUMMARY

Production 2022E	~32,000 boe/d
Production mix (2022E)	66% oil and liquids
Reserves (2P, YE 2021)	148 MMboe
Reserve Life Index (2P, YE 2021)	13 years
PDP decline (YE 2021)	21%
Tax pools (YE 2021)	\$2,538 million

## MARKET SUMMARY

Shares outstanding	82.1 million
Market capitalization	\$1,074 million
Net Debt (Q1 2022)	\$449 million
Enterprise value	\$1,523 million



### HEADQUARTERS

Calgary, Alberta



### OPERATIONAL EXPERTISE

Proven track record as one of the most efficient companies amongst peers



### STRONG TEAM

Experienced team of ~250 full-time staff and contractors delivering results year-over-year

**PEACE RIVER**  
6,469 boe/d Q1 2022  
Cold flow heavy oil

**CARDIUM**  
21,878 boe/d Q1 2022  
Light oil conventional development

**VIKING**  
690 boe/d Q1 2022  
Higher GOR oil play

See endnotes for additional information

TSX:/NYSE American: OBE

\* Map volumes do not include additional 370 boe/d production from legacy wells outside these core areas

# OBSIDIAN ENERGY STRATEGY

We focus on superior execution throughout to deliver results

## SUPERIOR SHAREHOLDER RETURN



Drive per share growth  
via asset development  
and debt reduction



Generate excess free  
cash flow while acting on  
growth opportunities at  
higher commodity prices



Increase scale and  
manage cost  
structure through  
production additions



Forecast target  
total debt  
of \$225 million



Focused on maintaining operational excellence, improving our debt leverage  
and delivering top quartile total shareholder returns



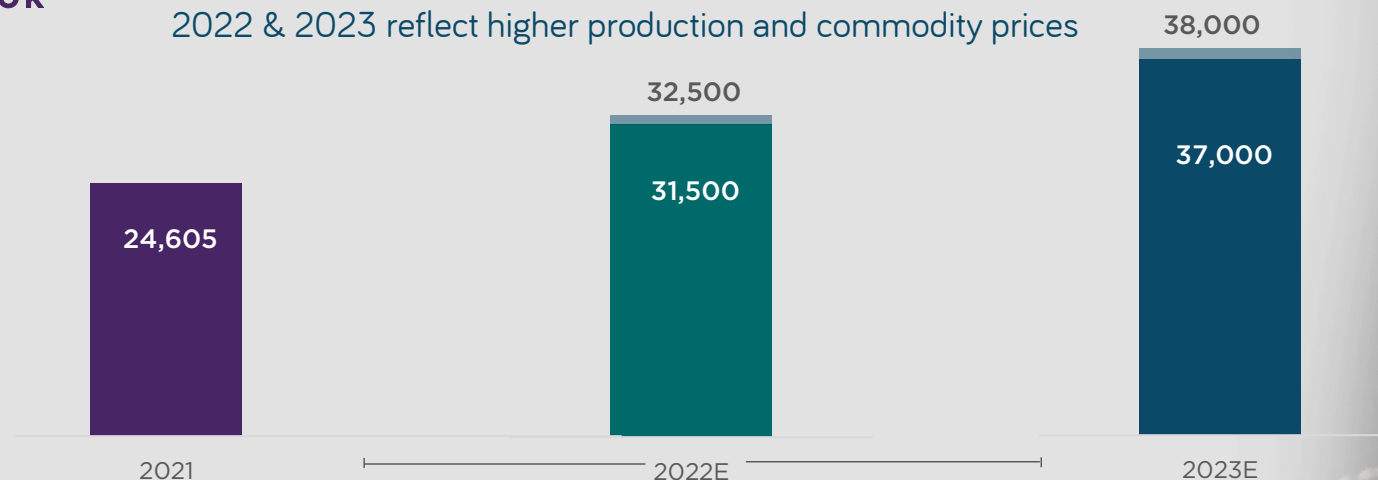
# OUR TWO-YEAR CORPORATE PLAN

Significant growth in FCF accelerates debt reduction

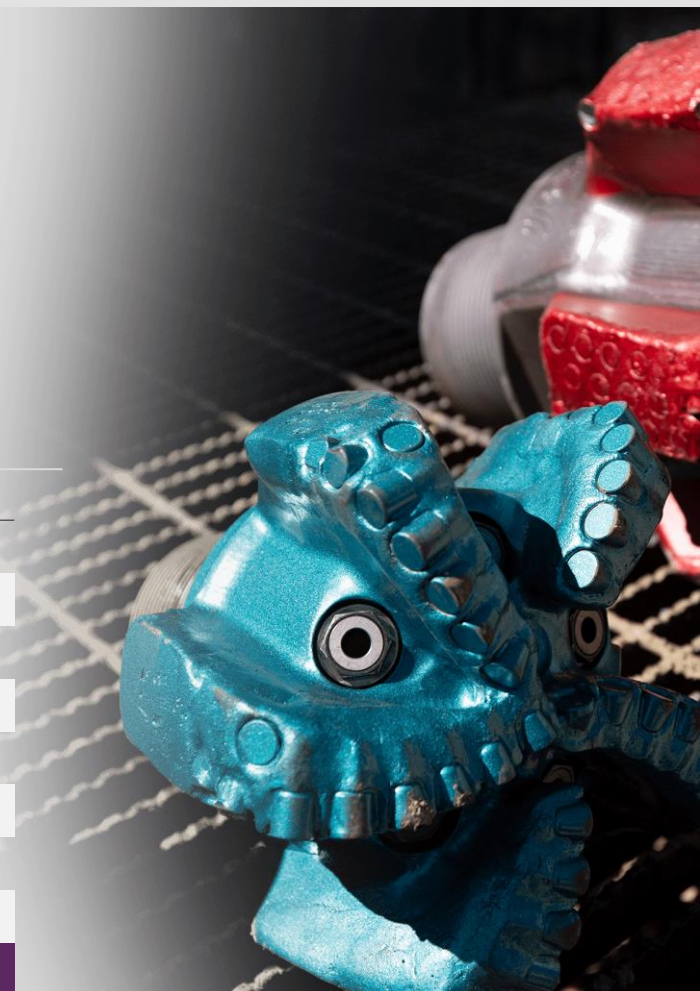
## PRODUCTION OUTLOOK

(boe/d)

2022 & 2023 reflect higher production and commodity prices



	2021	2022E			2023E
WTI (2022E: June – Dec. 2022)	US\$67.91/bbl	US\$90.00/bbl	US\$105.00/bbl	US\$120.00/bbl	US\$95.00/bbl
AECO (2022E: June – Dec. 2022)	\$3.45/GJ	\$5.50/GJ	\$6.50/GJ	\$7.50/GJ	\$5.00/GJ
Funds Flow from Operations	\$218 million	~\$455 million	~\$519 million	~\$580 million	~\$650 million
Adjusted Funds Flow from Operations	\$235 million	\$499 million	\$563 million	\$624 million	\$662 million
Free Cash Flow (FCF)	\$69 million	~\$137 million	~\$201 million	~\$262 million	~\$374 million
Capital Expenditures	\$140.9 million	\$295 - \$305 million			\$260 - \$270 million
Decommissioning Expenditures	\$8.1 million	\$17 million	\$17 million	\$17 million	\$14 million
Year-end Net Debt	\$414 million	~\$257million	~\$194million	~\$132 million	(~\$162 million)
Year-end Net Debt to FFO	1.9x	~0.6X	~0.4X	~0.2x	n/a



# CONSIDERABLE FUTURE VALUE FROM TAX POOLS

\$2.6 billion of tax pools in unrecognized value

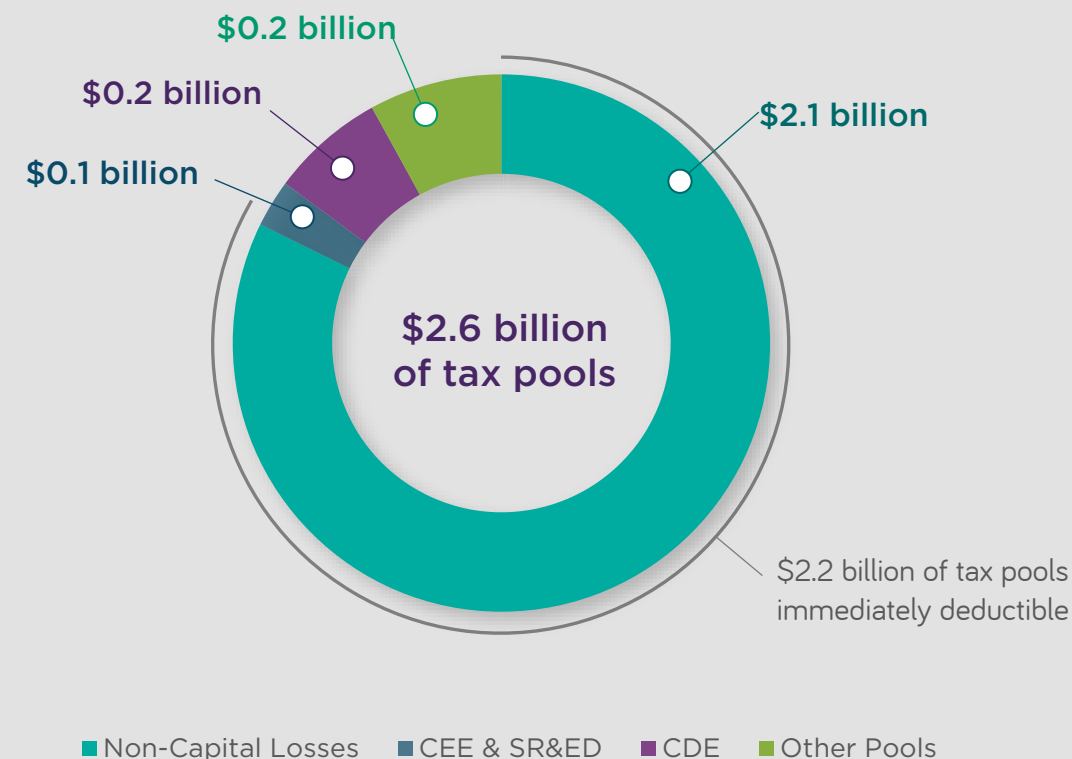
Amount of Pools Utilized by Year <sup>1</sup>	Illustrative Value of Tax Pools @ 8% Discount Rate <sup>2</sup>	
\$200 million	\$360 million	\$4.30/share
\$300 million	\$415 million	\$4.96/share
\$400 million	\$447 million	\$5.34/share
\$500 million	\$467 million	\$5.59/share

- 1 Refers to an illustrative amount of pools used annually, assuming deductions available, until fully exhausted.
- 2 Tax pool value based on tax rate of 23% (tax pools as at March 31, 2022). Value presented per Obsidian Energy share, using fully diluted shares outstanding as of March 31, 2022.

Maximum Theoretical Value <sup>1</sup>		
Total	\$565 million	\$6.76/share
Immediately deductible	\$489 million	\$5.85/share

- 1 Maximum theoretical value is calculated based on average 2022 tax rate of 23.0%, applied to Obsidian Energy's total and immediately deductible tax pools, and using fully diluted shares outstanding as of March 31, 2022.

## TAX POOL COMPOSITION



# FOCUSING ON 2022

Executing on our strategy for 2022 and planning for future years



Secured all services and equipment for 2022 program as we benefit from current strong commodity prices

## OPERATIONS

- ▶ First-half development program utilized four rigs
- ▶ Second-half development program to utilize up to four rigs\*
  - ▶ Two in Willesden Green and Pembina, targeting the Cardium and Blueridge formations
  - ▶ Two in Peace River, targeting both Bluesky and Clearwater formations (second rig late in 2022)
- ▶ Current forecasted year-over-year production growth of ~30% (including PROP Acquisition)
- ▶ Operational flexibility expanded development program in second half
- ▶ Continue to explore and appraise our large 487 section Clearwater land position
- ▶ Diligence across drilling and operating activities to manage cost pressures in labour, services, power and steel

## FINANCIAL

- ▶ Expect continued strong commodity price environment, contributing to substantial FCF
- ▶ Refinance debt facilities to incorporate senior and subordinated debt by mid-July 2022
  - ▶ Provide a stable capital source with operational liquidity and a longer-term maturity profile
- ▶ Continue to reduce debt levels to reach targeted leverage ratios of <1.0x Net Debt to FFO
  - ▶ Go forward debt target of \$225 million (*implies 1.0x Net Debt to FFO at US\$50/bbl WTI*)
- ▶ Trading on NYSE American and TSX
- ▶ Evaluate return of capital initiatives post-refinancing and reaching debt targets

*\* Balance of 2022 development program and capital plans are contingent on completion of our refinancing plan.*



# EXPANDED 2022 DEVELOPMENT PROGRAM

First half drilling program complete in all three areas

## 68 wells (65.0 net) drilling program

- ▶ Forecasted average production of 32,000 boe/d, a ~30% annualized production growth from 2021
- ▶ Ability to scale program quickly in response to commodity prices and corporate strategy

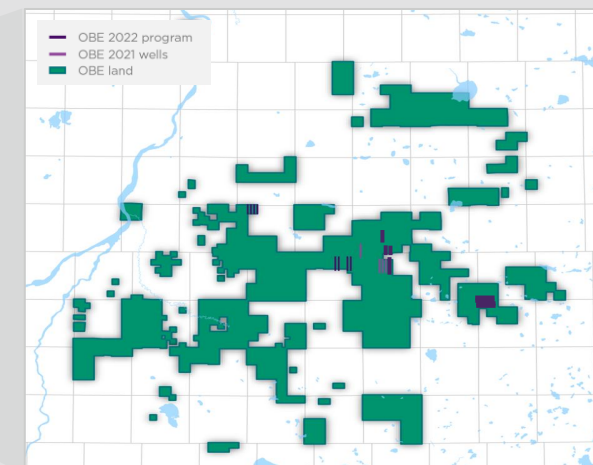
	H1 Gross (Net) Wells	H2 Gross (Net) Wells	Total Gross (Net) Wells
Willesden Green (Cardium/Mannville)	10 (10.0)	11 (10.5)	21 (20.5)
Pembina (Cardium/Blueridge)	6 (5.5) <sup>1</sup>	13 (11.5)	19 (17.0)
Peace River (Bluesky/Clearwater)	6 (6.0)	14 (13.5)	20 (19.5)
Viking	8 (8.0)	-	8 (8.0)
<b>Total</b>	<b>30 (29.5)</b>	<b>38 (35.5)</b>	<b>68 (65.0)</b>

1. One Pembina well (0.9 net) was spud in 2021 and rig-released in 2022; it is included in these totals.

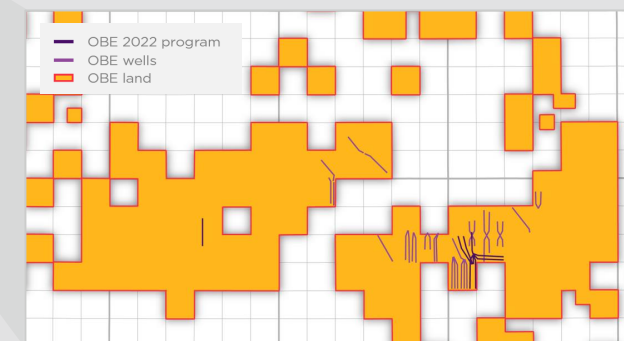
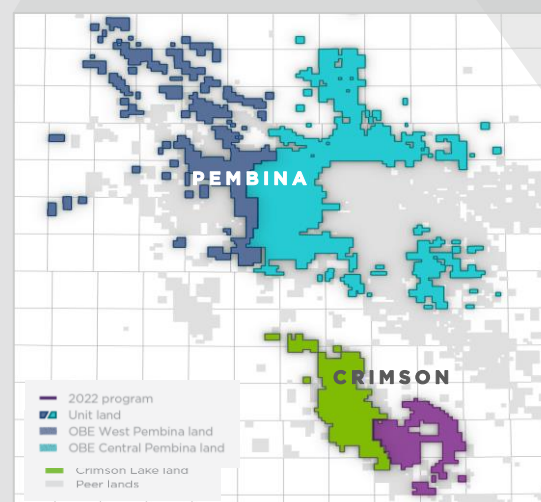


30 wells (29.5 net)  
wells drilled  
in H1 2022

### PEACE RIVER



### CRIMSON & PEMBINA



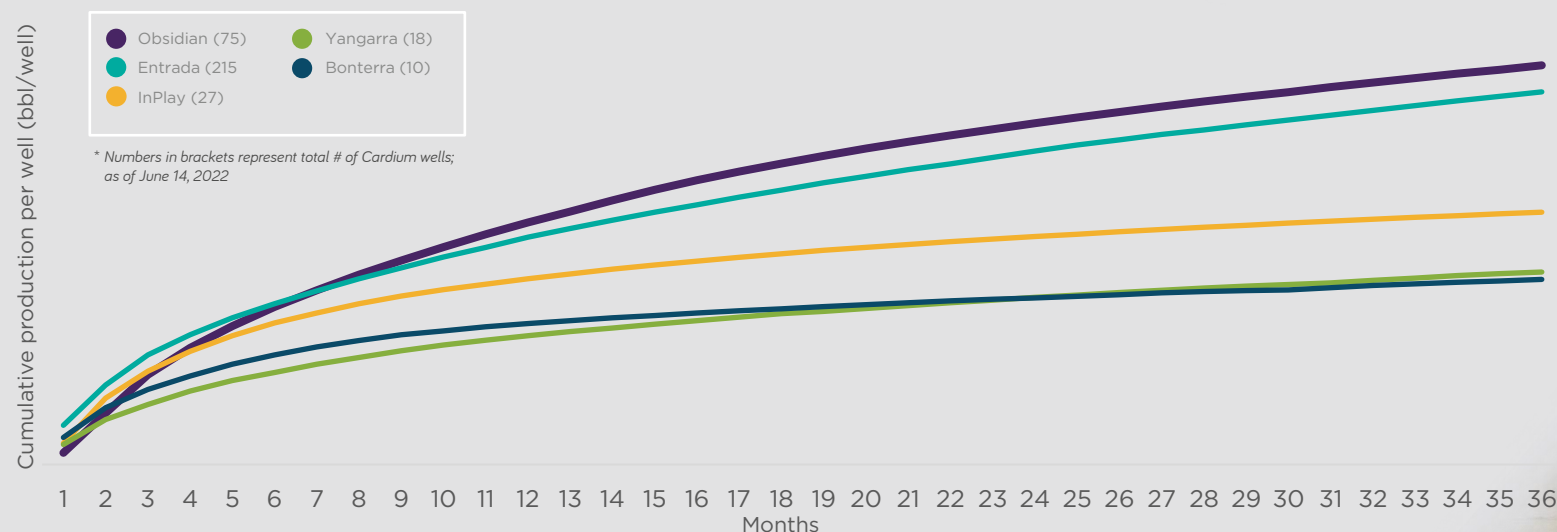
### VIKING

See endnotes for additional information

# TOP CARDIUM DRILLER AND OPERATOR

Our development program produces leading Cardium well performance compared to peers

## LEADING CARDIUM WELL PERFORMANCE: WILLESDEN GREEN FIELD



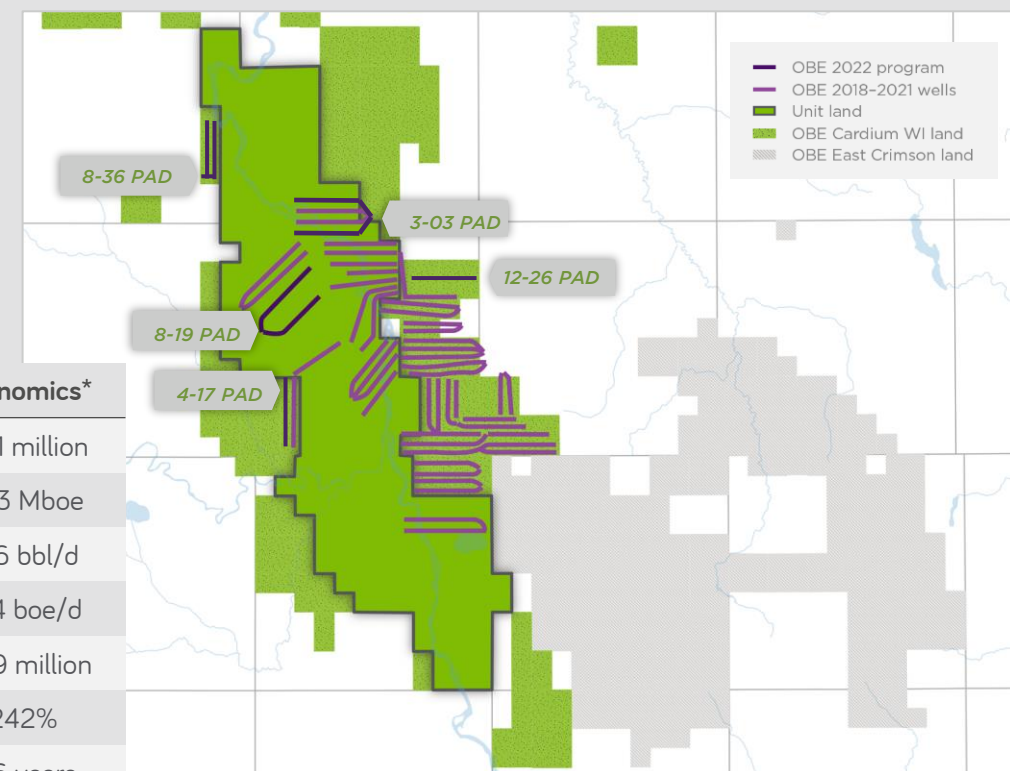
- ▶ Substantial identified Cardium drilling locations with only 170 net booked YE 2021 2P Cardium locations
  - ▶ Significant future upside to 2P reserve values
- ▶ Obsidian Energy pacesetter Cardium well drilled in H1 2021
- ▶ Well design focused on optimization of cost and economic recovery of reserves

See endnotes for additional information

# WILLESDEN GREEN – CRIMSON LAKE

Cornerstone for revitalized primary development on Cardium acreage

- ▶ Top quality reservoir with banked oil from historical pressure maintenance
- ▶ Historically under-developed due to challenges for vertical drilling
- ▶ Horizontal development proving strong returns and quick payouts
- ▶ Existing flexible infrastructure allows ability to maximize production with minimal infrastructure spend
- ▶ 2022 development:
  - ▶ H1 average per well IP 30-day rates:
    - ▶ Pad 8-19 (2 wells) – 275 boe/d (76% oil)
  - ▶ H2:
    - ▶ Cardium wells: Pad 3-03 (2 wells), Pad 4-17 (1 well); Pad 8-36 (2 wells); Pad 12-26 (1 well)
    - ▶ Cardium gas well: 14-28 (1 well)



Economics*	
DCET Capex	\$4.1 million
EUR	203 Mboe
Oil IP365	136 bbl/d
Total IP365	194 boe/d
NPV Btax 10%	\$5.9 million
IRR	242%
Payout	0.6 years
Technical F&D	\$20.45/boe
Capital efficiency (12-month)	\$21,400 boe/d

*\* Strong economics despite substantial cost inflection inflating DCET costs.*

\* Flat price deck : US\$105/bbl WTI and \$6.50/GJ AECO, \$3.50/bbl MSW differential, \$16.00/bbl WCS differential, FX of 1.27x CAD/USD.



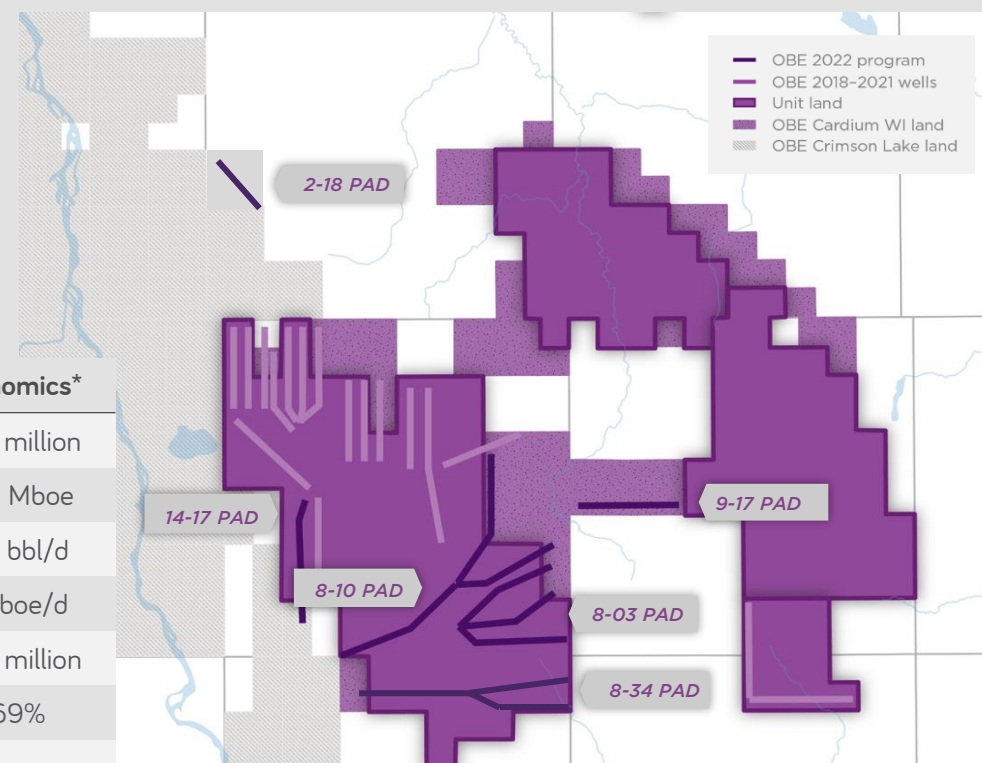
# WILLESDEN GREEN – EAST CRIMSON

Eastward extension of successful Crimson Lake development program

- ▶ Horizontal development proving strong returns and quick payouts
- ▶ Flexible, operated infrastructure shared with Crimson Lake
- ▶ Combination of pressure supported edge drilling and underdeveloped unit fairways
- ▶ Area de-risked by peer drilling, supporting revitalized development
- ▶ 2022 development:
  - ▶ H1 average per well IP 30-day rates:
    - ▶ Pad 8-03 (3 wells) – 190 boe/d (90% oil)
    - ▶ Pad 9-17 (1 well) – 267 boe/d (87% oil)
    - ▶ Pad 14-17 (1 well) – 237 boe/d (92% oil)
    - ▶ Pad 8-10 (3 wells) – just on production
  - ▶ H2:
    - ▶ Cardium wells: Pad 8-34 (3 wells)
    - ▶ Mannville well: Pad 2-18 (1 well)

	Economics*
DCET Capex	\$4.5 million
EUR	203 Mboe
Oil IP365	136 bbl/d
Total IP365	171 boe/d
NPV Btax 10%	\$5.3 million
IRR	169%
Payout	0.7 years
Technical F&D	\$22.00/boe
Capital efficiency (12-month)	\$26,200 boe/d

\* Flat price deck : US\$105/bbl WTI and \$6.50/GJ AEEO, \$3.50/bbl MSW differential, \$16.00/bbl WCS differential, FX of 1.27x CAD/USD.



*\* Strong economics despite substantial cost inflection inflating DCET costs.*

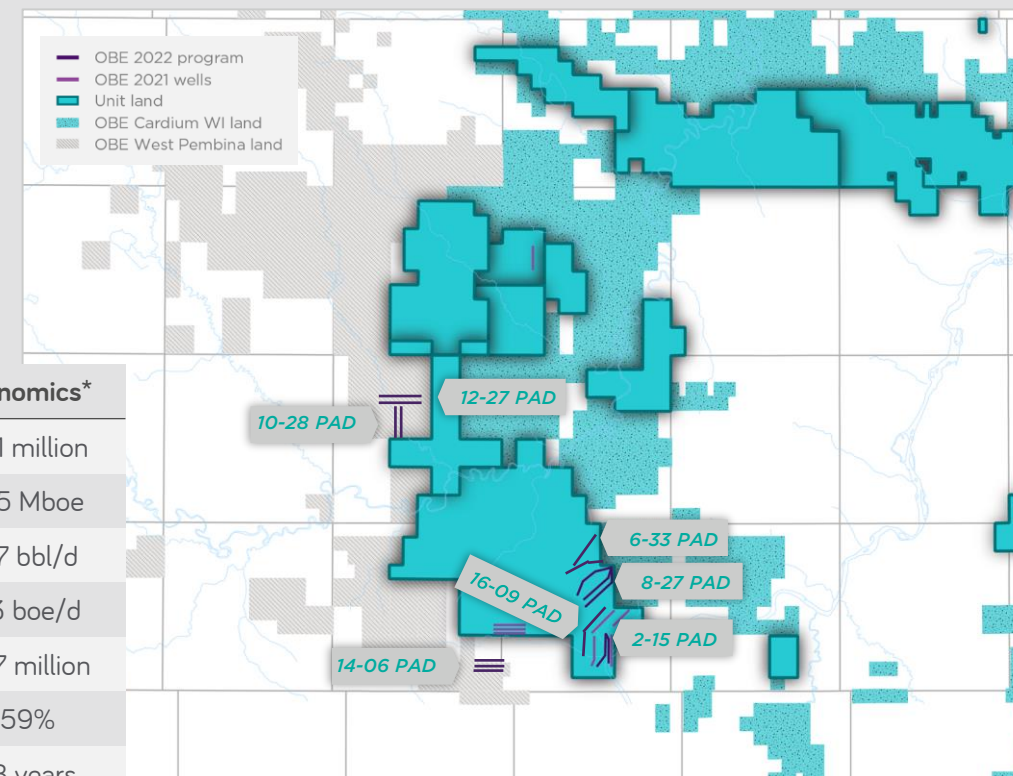
# PEMBINA

Centre of low declines supports horizontal drilling and future growth through waterfloods

- ▶ Low decline, pressure-maintained development
- ▶ Ability to de-risk opportunities and add additional locations through geological and reservoir modelling
- ▶ Existing wells and infrastructure allow growth in scale with minimal capital cost
- ▶ Successful return to Pembina development in 2021
  - ▶ 5 wells drilled on two pads (2-16 and 7-17)
  - ▶ Strong production results
- ▶ 2022 development:
  - ▶ H1 average per well IP 30-day rates:
    - ▶ Pad 2-15 (2 wells) – 281 boe/d (82% oil)
    - ▶ Pad 8-27 (3 wells) – 238 boe/d (84% oil)
  - ▶ H2:
    - ▶ Cardium wells: Pad 14-06 (3 wells); Pad 16-09 (2 wells); Pad 6-33 (2 wells), Pad 12-27 (2 wells); Pad 10-28 (2 wells)
    - ▶ Two Devonian (Bluesky) wells

	Economics*
DCET Capex	\$4.1 million
EUR	205 Mboe
Oil IP365	107 bbl/d
Total IP365	173 boe/d
NPV Btax 10%	\$5.7 million
IRR	159%
Payout	0.8 years
Technical F&D	\$19.80/boe
Capital efficiency (12-month)	\$23,500 boe/d

\* Flat price deck : US\$105/bbl WTI and \$6.50/GJ AECO, \$3.50/bbl MSW differential, \$16.00/bbl WCS differential, FX of 1.27x CAD/USD.



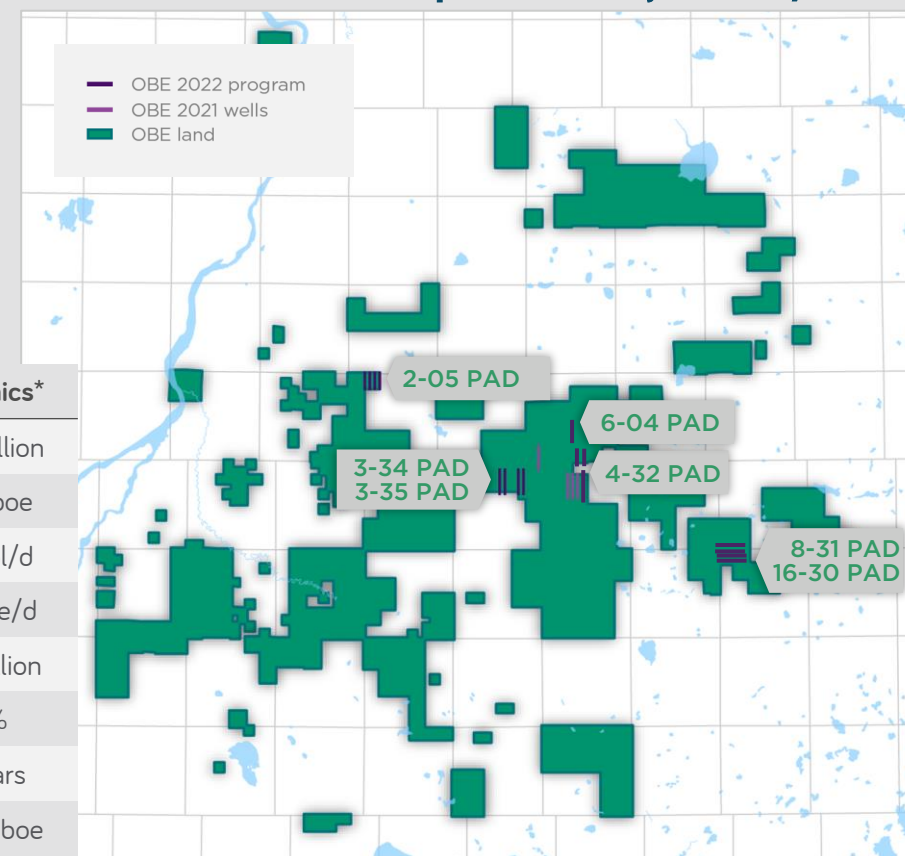
*\* Strong economics despite substantial cost inflection inflating DCET costs.*

# PEACE RIVER – REVITALIZED CORE AREA

Full ownership in high-quality cold-flow heavy oil Bluesky resource with Clearwater upside

- ▶ Reliable and steady Bluesky production with shallow declines
- ▶ Large, contiguous 487 section cold-flow heavy oil resource developed with multi-leg horizontal wells
  - ▶ Purchased total of 23 sections for \$13.7 million from land sales
    - ▶ 28 potential Bluesky locations (\$115 million NPV at 10% discount rate)
    - ▶ 14 potential Clearwater opportunities
- ▶ Substantial owned infrastructure and multiple sales points
- ▶ Successful return to development in 2021
  - ▶ Technical team rebuilt with addition of two geologists and two engineers
- ▶ 2022 development:
  - ▶ H1 average per well IP 30-day rates:
    - ▶ Pad 3-35 (2 wells) – 327 boe/d (99% oil)
    - ▶ Pad 3-34 (2 wells) – on production mid-June
  - ▶ H2:
    - ▶ Devonian (Bluesky) wells: Pad 2-05 (4 wells); Pad 4-32 (3 wells); Pad 6-04 (1 well), Pad 16-30 (2 wells), Pad 8-31 (2 wells)

## Q1 2022 Peace River production 6,469 boe/d



### Economics\*

DCET Capex	\$4.0 million
EUR	319 Mboe
Oil IP365	233 bbl/d
Total IP365	243 boe/d
NPV Btax 10%	\$7.7 million
IRR	159%
Payout	1.0 years
Technical F&D	\$12.60/boe
Capital efficiency (12-month)	\$16,600 boe/d

\* Strong economics despite substantial cost inflection inflating DCET costs.

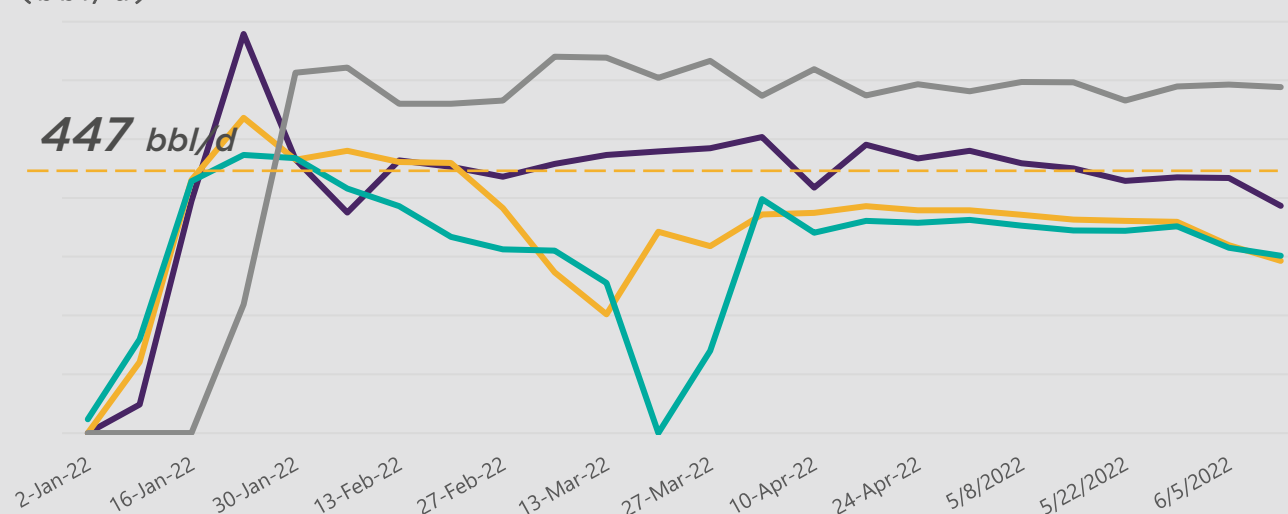
\* Flat price deck : US\$105/bbl WTI and \$6.50/GJ AEEO,  
\$3.50/bbl MSW differential, \$16.00/bbl WCS differential, FX  
of 1.27x CAD/USD.



# PEACE RIVER DRILLING UPDATE

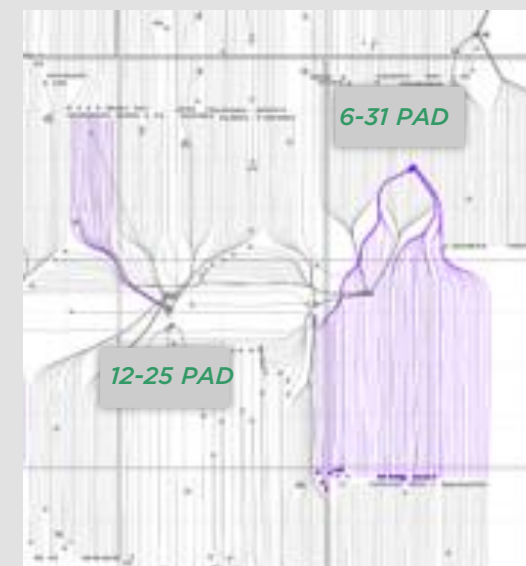
Successful return to Bluesky development

## H2 2021 DRILL PROGRAM PRODUCTION (bbl/d)



- ▶ Drilled four Bluesky wells in late 2021
  - ▶ Four wells on production averaged 447 boe/d per well (IP90 rate)
- ▶ Drilled four Bluesky wells in the first half of 2022
  - ▶ Two wells on production and cleaning up
- ▶ Recent drilling extends reservoir limits and creates additional infield development opportunities

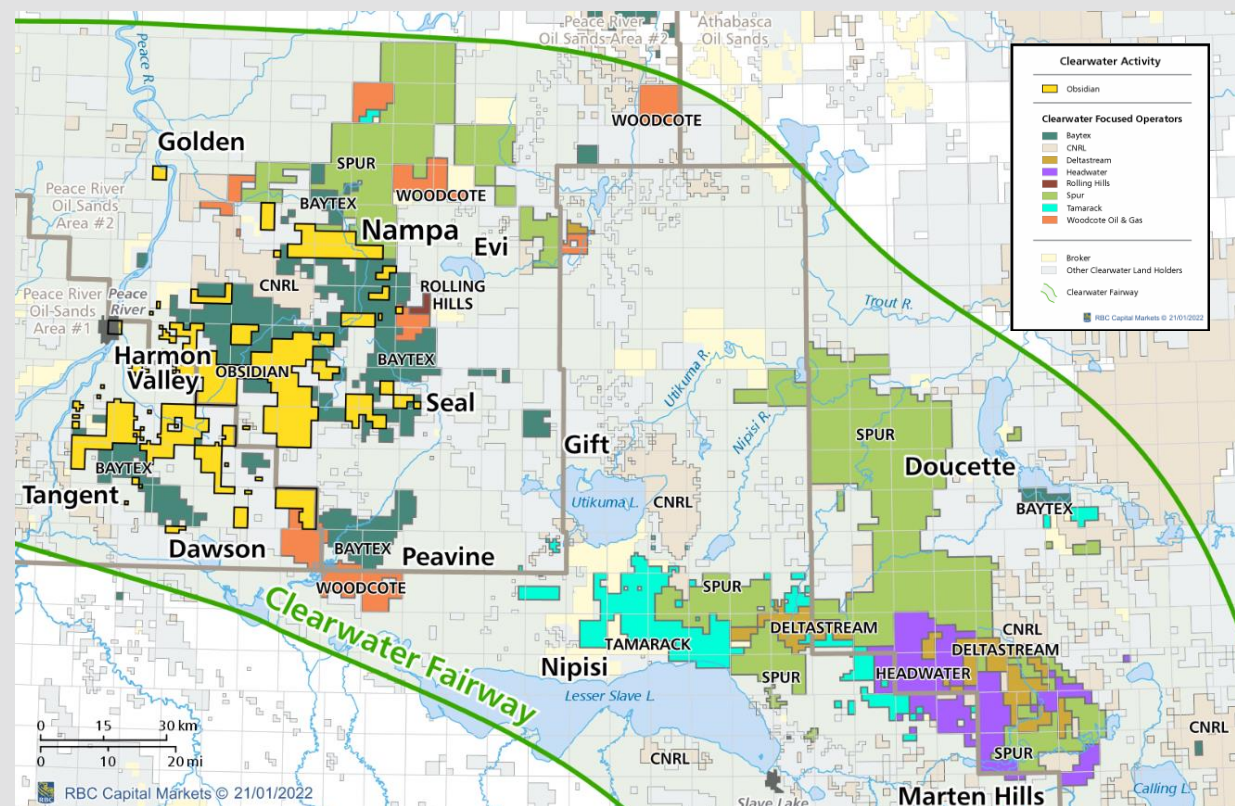
	6-31 PAD			12-25 PAD
	104/13-19	104/14-19	103/15-19	104/09-35
# horizontal legs	16	10	11	9
Total horizontal lateral length	26,293 m	19,767 m	19,804 m	9,935 m
Average Production	IP90: 447 boe/d per well			



# PEACE RIVER CLEARWATER POTENTIAL

Market excitement over emerging Clearwater formation play

- ▶ 487 sections with Bluesky and Clearwater heavy oil rights in total
- ▶ Leverage Bluesky operational experience
- ▶ Competitive royalty structure with low royalty rates
- ▶ Substantial opportunity for future development with significant recent well results
- ▶ Late 2021: Drilled first Clearwater well in Dawson area with experienced partner
- ▶ 2022 program:
  - ▶ H1: 1 well (1.0 net)
  - ▶ H2: 2 wells (1.5 net)
- ▶ Clearwater play will be significant focus in 2023



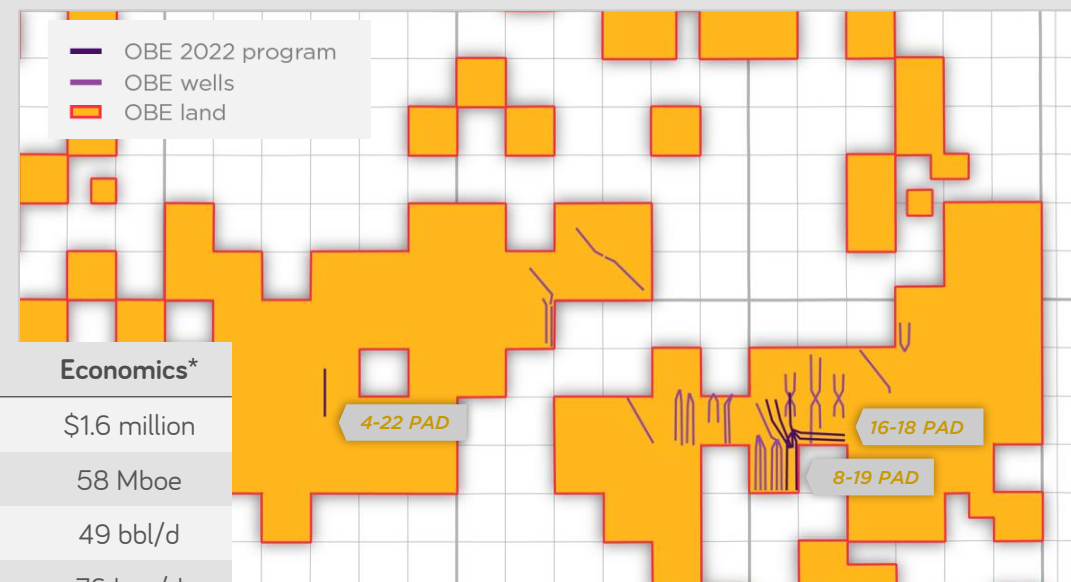
See endnotes for additional information

# VIKING – QUICK TURNAROUND DEVELOPMENT

Revitalizing light oil asset that provides highly economic returns

- ▶ Sweet, light oil development play with material degree of associated natural gas
- ▶ Significant drilling inventory, including both low risk infill and step-out development
- ▶ Low DCET well costs, combined with owned and controlled infrastructure and direct market access yields superior netbacks
- ▶ Shallow, low geological risk resource play
- ▶ Close to multiple, successful offset producers
- ▶ 2022 development:
  - ▶ 8 wells – drilling
  - ▶ Pad 4-22 (1 well); Pad 16-18 (3 wells); Pad 8-19 (4 wells)
  - ▶ ~1,000 boe/d production expected in Q3 2022 (30-day IP average rate)

## Q1 2022 Viking production 690 boe/d



### Economics\*

DCET Capex	\$1.6 million
EUR	58 Mboe
Oil IP365	49 bbl/d
Total IP365	76 boe/d
NPV Btax 10%	\$1.8 million
IRR	220%
Payout	0.6 years
Technical F&D	\$27.40/boe
Capital efficiency (12-month)	\$20,750 boe/d

*\* Strong economics despite substantial cost inflection inflating DCET costs.*

\* Flat price deck: US\$105/bbl WTI and \$6.50/GJ AECO, \$3.50/bbl MSW differential, \$16.00/bbl WCS differential, FX of 1.27x CAD/USD.



# SUSTAINABILITY HIGHLIGHTS OVER THE PAST FIVE YEARS

Striving to make a difference to the environment, the community and for all stakeholders

## Environment



## Social



## Governance



**40% REDUCTION IN GHG EMISSIONS**  
(2018 – 2021)



**>10,500 WORKER SAFETY INITIATIVES**  
(2021)



**86% INDEPENDENT BOARD MEMBERS**  
(4.6 year average tenure)



**40% REDUCTION IN INJECTED FRESH WATER USE**  
(2019 – 2021)



**26% FEMALE EMPLOYEES**  
(1/3 in leadership positions)



**6.5% INSIDER OWNERSHIP**  
(Directors & Executive)



**75% REDUCTION IN PIPELINE FAILURES**  
(2017 – 2021)



**>\$1.8 BILLION IN ECONOMIC CONTRIBUTION**  
(2017 – 2021)



**COMPENSATION ALIGNED WITH SHAREHOLDERS**  
(Stock-based performance)

See endnotes for additional information

# GHG EMISSIONS – 40% TOTAL REDUCTION SINCE 2018

Multi-pronged approach focuses on reducing GHG emissions, using investment and technology to go beyond regulated requirements

*Largest focus to date: Peace River solution gas conservation and reduction of fugitive methane*

*Future focus: Reduction of vented emissions*

## FLARED EMISSIONS

- ▶ 88% reduction in flaring since 2018
- ▶ \$75 million investment in Peace River infrastructure conserved 6 mmcf/d of solution gas (95% reduction)

## FUGITIVE EMISSIONS

- ▶ 80% reduction in fugitive emissions since 2018
- ▶ Strategy incorporates governing programs, regulations and new technology

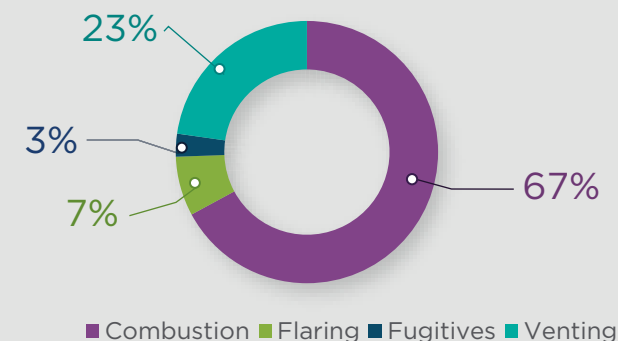
## COMBUSTION EMISSIONS

- ▶ Consolidation of assets to eliminate combustion sources
  - ▶ Esther Viking plant consolidation decreased emissions by 5,800 tCO<sub>2</sub>e/year

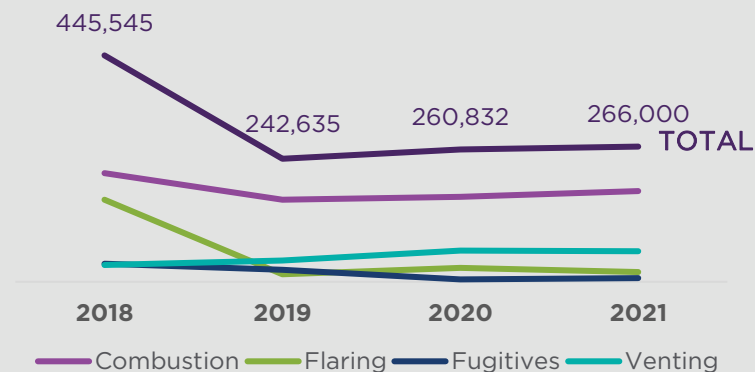
## VENTED EMISSIONS

- ▶ New focus moving forward with particular attention on vent stacks, pneumatic chemical pumps and tanks

## GHG EMISSIONS BY SOURCE (2021)



## GHG EMISSIONS (tCO<sub>2</sub>e/year)



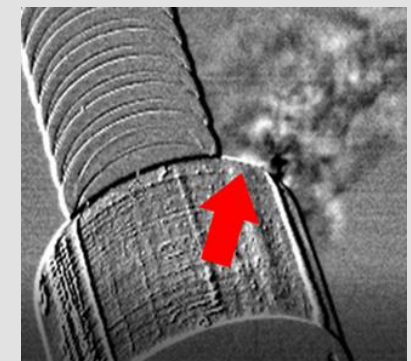
# GHG REDUCTION – CURRENT INITIATIVES

Industry-leading innovation to capture fugitive emissions and initiate repairs quicker

- ▶ Research partnership in 2022 with the University of Calgary
- ▶ Incorporates two new pieces of technology:
  - ▶ PoMELO: a roof top vehicle mounted system that detects leak locations and notifies a technician
  - ▶ Forward-looking Infrared Imaging: Allows technicians to pinpoint leak location and begin repairs immediately
- ▶ Eliminates unnecessary delays that would be incurred utilizing third parties

*Fugitive emissions refer to methane that escapes process equipment during normal operations.*

*Common sources include tank inspection hatches, compressor packings and piping connection points.*



Survey Requirements are governed under Alberta Energy Regulator Directives 060 and 084.



# WATER – INTENSITY AND USAGE

Minimizing the amount of fresh water used in operations to conserve this valuable resource

## WATER CONSERVATION (2019 – 2021)



*Injected Fresh  
Water Use*  
Down 40%

*Fresh Water  
Intensity*  
Down 40%

*Frac Water  
Use Per Well*  
Down 20%

*Obsidian Energy uses fresh water for both hydraulic fracturing and enhanced oil recovery through injection into underground formations.*

We use the minimum amount of fresh water possible in our operations, striving to reduce water usage and are continuously working towards innovative ways to further conserve this valuable resource.

*See endnotes for additional information*



*Biologist sampling water at Virginia Hills, AB*



# INDUSTRY LEADER IN ASSET RETIREMENT MANAGEMENT

Our commitment to stakeholders includes responsible asset retirement as part of the full cycle of development

## 2019 – 2022:

**1,033** Wells abandoned

**2,650 km** Pipelines discontinued and abandoned

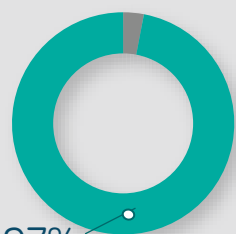
**60** Facilities abandoned

**287** Reclamation certificates received

**\$90 million** Reduction in decommissioning liability

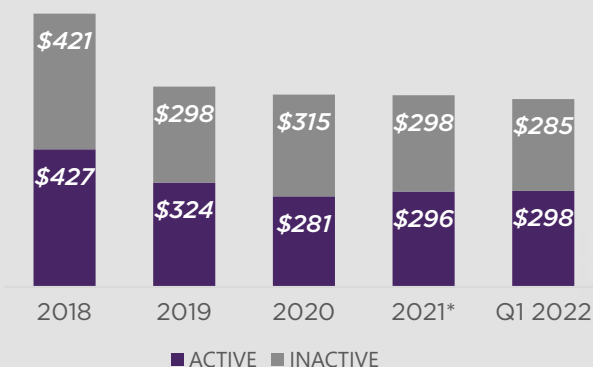
### INACTIVE LEGACY WELLBORE REDUCTION

(YE2019 TO YE2022)



YE2019 inactive legacy wellbores decommissioned by YE2022

### INACTIVE VS. ACTIVE ARO (\$ millions)



\* Includes additional \$25 million from acquisition of remaining 45% working interest in Peace River

## STRATEGY

- ▶ Committed to reducing environmental footprint
  - ▶ Active committee participation to improve industry practices
  - ▶ Restoring land to pre-development state
  - ▶ Proven ability to economically remediate sites
- ▶ Meaningful progress to reduce liability
- ▶ Early adopter of programs, using cash flow and government program funds to accelerate our inactive decommissioning liability
  - ▶ Founding participant in AER's Early Area Based Closure Program
  - ▶ Commitment to Liability Management Framework ("LMF"), contributing above mandatory levels (+0.3% of inactive liability)
  - ▶ Active participation in the Alberta Site Rehabilitation Program ("ASRP") program with up to \$34 million (gross) of ASRP grants and allocations to be used by YE2022
- ▶ Our asset reclamation and rehabilitation efforts supports vendors and creates partnerships with First Nations groups to further improve our community stewardship

See endnotes for additional information

# INVESTING IN ALBERTA COMMUNITIES

Committed to supporting the well-being of local communities where we work

*We have made over \$620,000 in donations to local charities since 2017*



## COLLABORATIVE COMMUNITY CITIZENSHIP

Active participation in local synergy and stakeholder groups



Obsidian Energy presents a donation to Drayton Valley Aquatic Committee Members Kamryn James and Dave Davie.



Obsidian Energy presents a donation to the Rocky Mountain House Search & Rescue.

- ▶ Most donation recipients chosen based on employee recommendations
- ▶ Some community recipients include:
  - ▶ Drayton Area Community Food Bank Society
  - ▶ Rocky Mountain House Search & Rescue
  - ▶ Clearwater Boys & Girls Club
- ▶ Regular synergy group meetings of energy companies, partners, and stakeholders in a local area help us better understand stakeholder concerns



Alder Flats Rodeo | Brighter Futures | Calgary Inter-Faith Food Bank Society | Canadian Humanitarian Organization | Cardium Region Victim Services | Cause for Critters | Clearwater Boys & Girls Club | Community Scholarship Trust Society | Drayton Area Community Food Bank Society | Drayton Valley Alumni Event | Drayton Valley Minor Hockey Association | Northern Sunrise Rural Crime Watch Association | Oyen & District Food Bank Association | Peace River Salvation Army Food Bank | Rocky Organization for Animal Rescue Society | Rocky & Agricultural & Stampede Association | Rocky Mountain House Community Safety Day | Rocky Mountain House Search & Rescue | Sunchild First Nation | The Lord's Food Bank | Town of Drayton Valley: Aquatic Centre | Town of Drayton Valley: Canada Day | Town of Peace River: Baytex Energy Centre | Wellspring Calgary | Wildrose School Division: Purpose Hope Dignity Project

# SHARE-BASED COMPENSATION ('SBC')

Significant increase in share price over past year result in higher SBC liability on books – but no cash paid until awards vest

Compensation aligned with shareholders' interest to increase in OBE value

	Directors		Employees				OBE TSX Share Price (\$)	Total Cumulative Liability for DSUs, PSUs & NTIPs (\$ millions )
	Deferred Share Units ('DSU') Cumulative Outstanding		Performance Share Units ('PSU') Cumulative Outstanding		Non-Treasury Incentive Awards ('NTIP') Cumulative Outstanding			
	(#)	(\$ millions)	(#)	(\$ millions)	(#)	(\$ millions)		
December 31, 2019	847,100	0.7	92,424	0.1	-	-	0.93	0.8
December 31, 2020	2,087,580	1.9	453,845	0.1	-	-	0.87	2.0
December 31, 2021	2,018,499	10.7	1,138,465	4.4	1,093,800	2.5	5.21	17.6
March 31, 2022	2,033,814	22.8	949,040	9.3	1,094,800	7.1	11.08	39.2

- ▶ An SBC liability is recorded according to IFRS guidance to account for future potential cash payouts and is based on the Company's share price
  - ▶ Results in the liability being "marked-to-market" (i.e., an increase in our share price increases the liability and vice versa)
- ▶ A change in share price directly affects the value of the award, thus the compensation is aligned with shareholders' interest
- ▶ Our share price materially lower at time of 2019 & 2020 grants
  - ▶ The significant 1,091% increase in share price from YE 2019 to March 31, 2022, results in a higher liability today
    - ▶ DSUs vest once non-employee Directors retire with payouts expected over the following 5+ years
    - ▶ PSUs vest between 2023 – 2025 with payout multiplier from zero to 2.0; multiplier is now near maximum payout at 1.93 at March 31, 2022
    - ▶ NTIP vest between 2022 to 2024; 1/3 vested after March 31, 2022
- ▶ 2022: Each \$1 change in share price = ~\$3.5 million change in liability



# RESERVES UNDERPIN OUR CURRENT AND FUTURE VALUE

Obsidian Energy trading at substantial discount on booked reserves basis

## YEAR-END 2021 RESERVES SUMMARY

	Proved developed producing (PDP)	Total proved (1P)	Total proved plus probable (2P)
Light and medium crude oil	33 MMbbl	55 MMbbl	70 MMbbl
Heavy crude oil and bitumen	8 MMbbl	11 MMbbl	16 MMbbl
Natural gas liquids	6 MMbbl	10 MMbbl	13 MMbbl
Conventional natural gas	147 Bcf	224 Bcf	298 Bcf
<b>Total reserves</b>	<b>71 MMboe</b>	<b>114 MMboe</b>	<b>148 MMboe</b>
NPV10% (US\$75 WTI)	\$1,275 million	\$1,684 million	\$2,082 million
NPV10% (US\$85 WTI)	\$1,493 million	\$2,028 million	\$2,482 million
NPV10% (Strip @ May 17, 2022)	\$1,552 million	\$1,994 million	\$2,429 million

Note: Flat price decks assume FX of 1.26x CAD/USD, US\$13.50/bbl WCS differential, US\$4/bbl Ed Par differential and CS\$2.79/Mcf AEEO.

## ENTERPRISE VALUE/PDP NPV10%

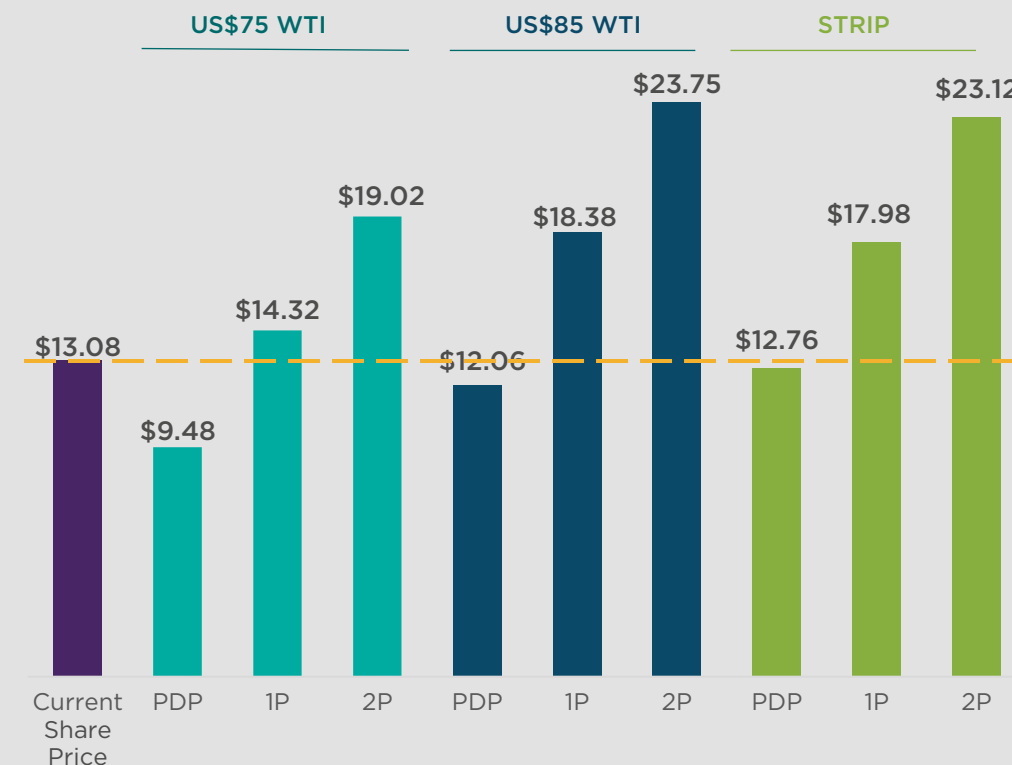
(x)



See endnotes for additional information

## NET ASSET VALUE (NAV) PER SHARE <sup>(1)</sup>

(C\$ per share)

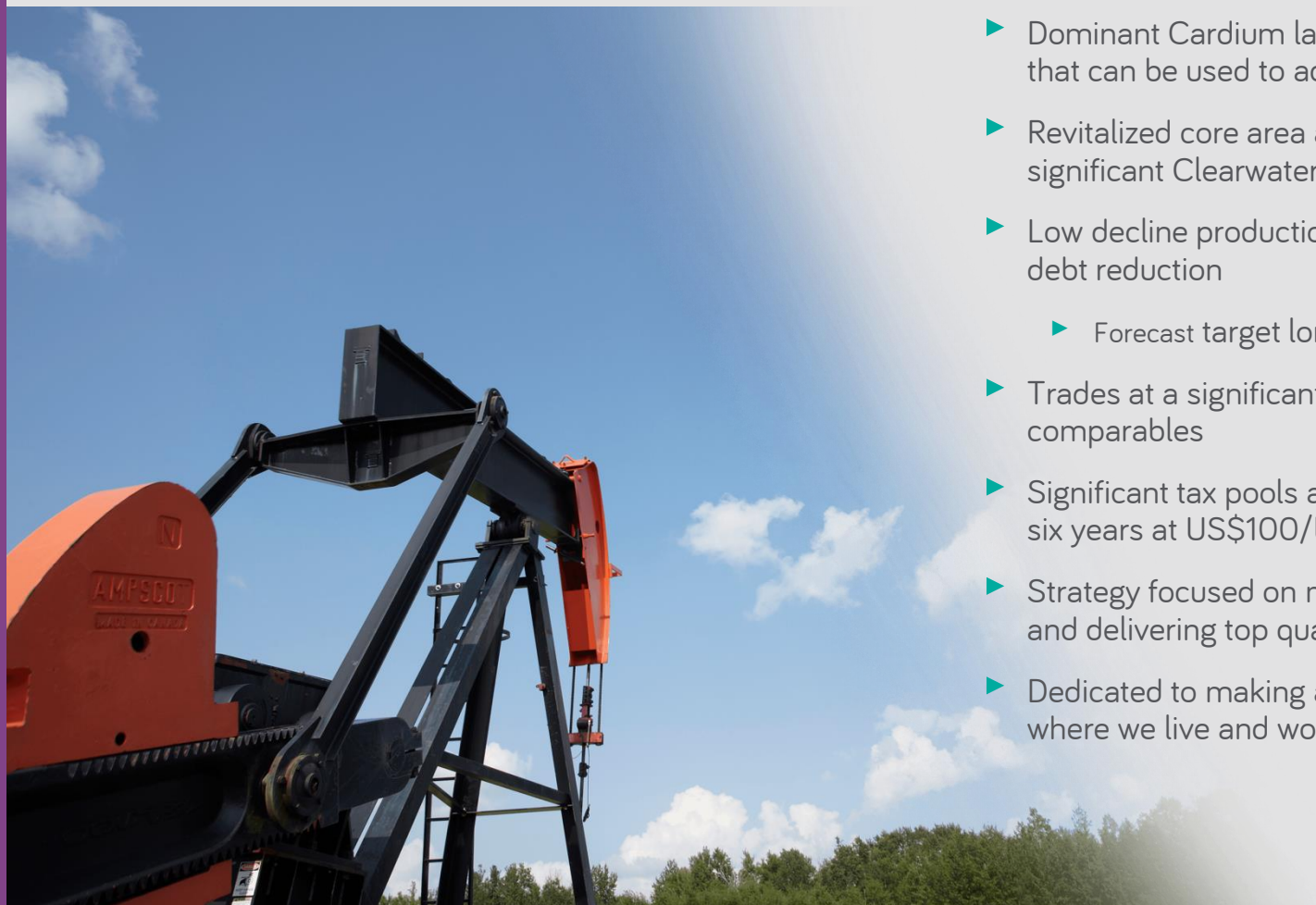


(1) Based on YE 2021 reserves run at flat pricing. Assumes \$449 million Net Debt based on March 31, 2022 balance sheet and inclusive of remaining discounted onerous lease obligations. Assumes shares outstanding as at March 31, 2022 and includes basic shares and RSUs.

# WHY INVEST IN OBSIDIAN ENERGY?

Obsidian Energy offers upside potential for shareholders

- ▶ Dominant Cardium land position and deep opportunity inventory of high-return wells that can be used to accelerate development at appropriate WTI levels
- ▶ Revitalized core area at Peace River with compelling Bluesky production and significant Clearwater potential for future oil production growth
- ▶ Low decline production profile and strong FCF generation allows for initial focus on debt reduction
  - ▶ Forecast target long-term debt level of \$225 million or less in 2023
- ▶ Trades at a significant discount in both reserve values as well as market trading peer comparables
- ▶ Significant tax pools allow for Obsidian Energy to be a non-cash taxpayer for at least six years at US\$100/bbl WTI
- ▶ Strategy focused on maintaining operational excellence, improving our debt leverage and delivering top quartile total shareholder returns
- ▶ Dedicated to making a difference to the environment, stakeholders and communities where we live and work



# Appendix

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# EXPERIENCED TEAM WITH STRONG TECHNICAL SKILLS

Working together to build a top tier developer that provides solid returns to stakeholders



## EMPLOYEES

Deeply experienced with long track record, representing the top tier of Cardium expertise



## FINANCIAL AND COMMERCIAL

Strong financial, commercial and capital markets experience leading the Company



## OPERATIONS

Well-established routines with methodical processes, which result in exemplary safety performance



## DRILLING, COMPLETIONS AND SUBSURFACE TECHNICAL

Strong understanding of geological subsurface, reservoir modelling, advanced design, construction and production of multi-stage fractured horizontal wells

► ~250 employees

► Management team:

**Stephen E. Loukas** *Interim President and Chief Executive Officer*

**Peter D. Scott** *Senior Vice President, Chief Financial Officer*

**Gary Sykes** *Senior Vice President, Commercial and Development*

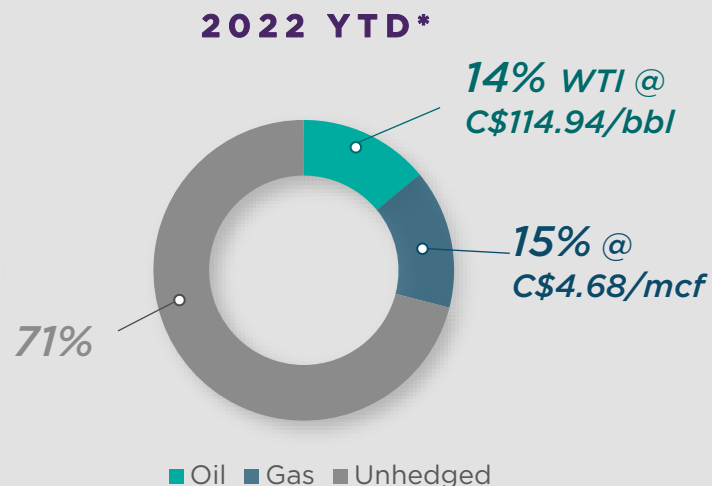
**Mark Hawkins** *Vice President, Legal, General Counsel and Corporate Secretary*

**Cliff Swadling** *Vice President, Operations*



# HEDGING PRODUCTION TO PRESERVE CASH FLOW

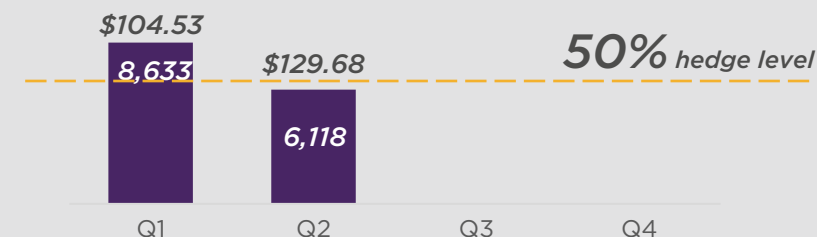
Continuing to build on our hedge position at constructive levels



\*2022 YTD represents hedged positions as at June 14, 2022, based on midpoint of 2022E full year guidance.

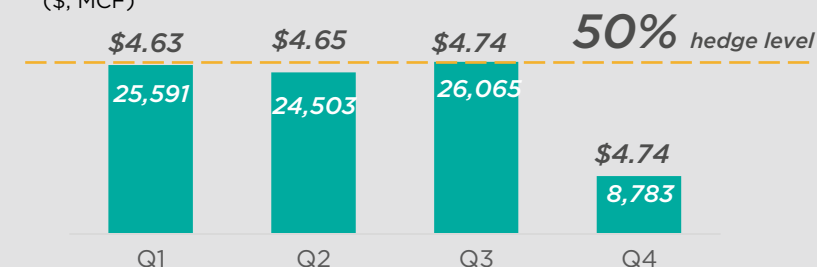
## HEDGED OIL

(\$, WTI/BBL)



## HEDGED AECO GAS

(\$, MCF)



Hedging as shown does not include PROP Energy 45 Limited Partnership's (our wholly owned limited recourse subsidiary) financial hedges, which represent ~3% of total 2022E production. Please refer to our release of May 31, 2022, for more details.

See endnotes for additional information

# 2021 RESERVES HIGHLIGHTS

Strong growth in reserves values and volumes generating >200% reserve replacement and >2.4x recycle ratios

## YEAR-END 2021 RESERVES SUMMARY

	Proved developed producing (PDP)	Total proved (1P)	Total proved plus probable (2P)
Reserves volume	71.3 MMboe	113.7 MMboe	147.8 MMboe
Reserves value (NAV10)	\$1.1 billion	\$1.4 billion	\$1.8 billion
Reserve replacement (% of production)	214%	310%	317%
Recycle ratios	3.4x	2.4x	3.2x
Reserve life index	7.9 years	11.1 years	13.4 years
F&D costs	\$9.57/boe	\$13.68/boe	\$10.27/boe
FD&A costs	\$9.07/boe	\$12.87/boe	\$9.62/boe

*Note: F&D and FD&A costs include changes in future development capital.*

See endnotes for additional information

# Endnotes

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# ENDNOTES

## Slide 4: Corporate Overview

Market capitalization and enterprise value was determined with share price on the close of business on June 14, 2022. Common shares outstanding was determined at close of business May 31, 2022. Net Debt and Tax pools are based on March 31, 2021 financials.

Reserves (2P), RLI, is based on 2P, reserve numbers as disclosed in our news release dated February 7, 2022, titled [“Obsidian Energy Announces 2021 Reserves Value Increase of Over 50 Percent with Year-End Reserve Report”](#) (the “Release”).

Q1 2022 Asset Production is broken down as follows:

Cadium: Light Oil – 10,914 bbl/d, Heavy Oil – 48 bbl/d, NGL – 2,364 bbl/d, Gas – 51 mmcf/d

Viking: Light Oil – 143 bbl/d, Heavy Oil – 104 bbl/d, NGL – 22 bbl/d, Gas – 3 mmcf/d

Peace River: Heavy Oil – 5,594 bbl/d, NGL – 4 bbl/d, Gas – 5 mmcf/d

Legacy: Light Oil – 57 bbl/d, Heavy Oil – 43 bbl/d, NGL – 42 bbl/d, Gas – 1 mmcf/d

Q1 2022 Peace River production includes PROP Acquisition volumes from November 24, 2021.

2022E Production Guidance calculated on June 15, 2022. Mid-point of 2022E Production Guidance Range: 12,350 bbl/d light oil, 6,325 bbl/d heavy oil, 2,525 bbl/d NGLs and 64.6 mmcf/d natural gas. Average production volumes in 2022 do not include any forecasted production associated with Clearwater exploratory capital expenditures.

## Slide 6: Our Two-year Corporate Plan

2022E Production Guidance calculated on June 15, 2022. Mid-point of 2022E Production Guidance Range: 12,350 bbl/d light oil, 6,325 bbl/d heavy oil, 2,525 bbl/d NGLs and 64.6 mmcf/d natural gas. Average production volumes in 2022 do not include any forecasted production associated with Clearwater exploratory capital expenditures.

2023F Production Guidance calculated on June 15, 2022. Mid-point of 2023F guidance range: 13,850 bbl/d light oil, 9,200 bbl/d heavy oil, 2,835 bbl/d NGLs and 69.8 mmcf/d natural gas.

Decommissioning expenditures do not include grants and allocations to be utilized by the Company under the Alberta Site Rehabilitation Program.

Mid-point pricing assumptions for our 2022E Guidance (revised) include WTI at US\$ 105.00/bbl and AECO at \$6.50/GJ

## Slide 6: Our Two-year Corporate Plan, cont.

Pricing assumptions outlined are forecasted for the second half of 2022 and includes risk management (hedging) adjustments as of June 10, 2022. Guidance FFO and free cash flow (“FCF”) includes approximately \$48 million of estimated charges for full year 2022 related to the deferred share units, performance share units and non-treasury incentive plan share-based compensation amounts which are based on a share price of \$15.00 per share. The charge is primarily due to the Company’s increased share price in 2022 compared to the closing price on December 31, 2021, of \$5.21 per share.

Net debt figures estimated as at December 31, 2022, and 2023, respectively.

## Slide 9: Expanded 2022 Development Program

No locations have been assigned to land where Obsidian Energy is not the operator.

## Slide 10: Top Cardium Driller and Operator

Cumulative Light Oil since Rig Release. Shown on a gross basis. Not adjusted for well length.

Data set: Horizontal Cardium wells Rig Released in the Willesden Green Field 2018 to 2022, showing licensees with greater than or equal to 10 wells.

Individual play fairways are Obsidian Energy defined trends displaying similar reservoir and geological characteristics. Booked locations reflects locations as defined by our 2021 Reserves Report. No locations have been assigned to land where Obsidian Energy is not the operator, other than PCU#11.

Comparison companies include Bonterra Energy Corp., Entrada Resources Inc., InPlay Oil Corp. and Yangarra Resources. Inc.

## Slide 14: Peace River – Revitalized Core Area

Drilling opportunities include both booked locations per NI 51-101 standards and our internal, unrisks assessment on a gross basis, which are subject to change without notice. No locations have been assigned to land where Obsidian Energy is not the operator.

Net Present Value (NPV) for Bluesky locations calculated at a 10% discount rate at WTI US\$85.00/bbl, based on a five-year development plan and an initial well cost of approximately \$3.5 million per well.

Peace River Bluesky economics based on a combination of HVM, Cadotte and Walrus areas in pre-payout royalties.



# ENDNOTES (CONT.)

## Slide 15: Peace River Drilling Update

Readers are cautioned that initial production rates and/or production test results disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery and therefore should not be relied upon for investment or other purposes.

See “Oil and Gas Information Advisory” for further information.

## Slide 16: Peace River Clearwater Potential

Drilling opportunities include both booked locations per NI 51-101 standards and our internal, unrisked assessment on a gross basis, which are subject to change without notice. No locations have been assigned to land where Obsidian Energy is not the operator.

## Slide 18: Sustainability Highlights Over the Past Five Years

Pipeline failure frequency determined as incidents per 1,000 kilometres of pipeline per year.

Worker Safety Initiatives includes the total of documented work observations, hazard identifications, equipment inspections, corrective actions, and emergency exercises as collected through internal research.

Total economic contribution is the sum of capital investment, operating expenditures, royalties, salaries and contractor costs, mineral and property taxes, donations and decommissioning expenditures from 2017 through 2021, inclusive.

## Slide 21: Water – Intensity and Usage

Fresh Water Intensity is measured as total fresh water withdrawals, excluding frac water, divided by total annual production in boe. Fresh Water includes both fresh water withdrawals and frac water.

## Slide 22: Industry Leader in Asset Retirement Management

2019 – 2022 ARO stats are for the period from 2019 to March 31, 2022, inclusively.

Inactive versus Active ARO for 2021 includes additional \$25 million from acquisition of remaining 45% working interest in Peace River.

Net wells and net kilometres of pipeline (2021 and 2022E) are internal estimates and are not to be construed a guidance and subject to change. Period 1 ASRP grants are connected to specific licenses; exact support levels will depend on the final costs incurred for the abandonment activity. Two-year spend forecast based on internal estimates and subject to change.

## Slide 25: Reserves Underpin our Current and Future Value

Reserves evaluation excludes inactive ARO. Our YE2021 reserves evaluation conforms to the requirements of National Instrument 51-101 and uses definitions and guidelines contained in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”). Obsidian Energy abandonment and reclamation costs associated with active wells, facilities, and pipelines have been included in the 2021 Reserves Report as part of future net revenue calculations. The price assumptions in our YE2021 reserves evaluation were based on an average of four independent reserve evaluators’ forecasts (Sproule Associates, GLJ Petroleum Consultants, McDaniel & Associates Consultants and Deloitte Resource Evaluation & Advisory).

NAV/share calculated with total number of basic common shares outstanding as of May 31, 2022. Additional reserve information can be found in Appendix A-3 of our Annual Information Form for the year ended December 31, 2021, available at [www.obsidianenergy.com](http://www.obsidianenergy.com).

EV based on March 31, 2022 balance sheet. Source: Obsidian Energy, company public disclosure, FactSet.



# ENDNOTES (CONT.)

## Slide 29: Hedging Production to Preserve Cash Flow

Current Hedge Position and the weighted average price, or the “Exercise Price” is current as of June 15, 2022. All financial hedges have been executed in Canadian dollars.

The Board of Directors has approved an increase to the maximum percentage of production that may be hedged (excluding hedges under PROP 45) in the prompt three months on a rolling basis as follows: i) gas volumes, net of royalties may be hedged up to a maximum of 80 percent and ii) oil volumes, net of royalties, may be hedged up to a maximum of 80 percent.

## Slide 30: 2021 Reserve Highlights

Reserves evaluation excludes inactive ARO. Our YE2021 reserves evaluation conforms to the requirements of National Instrument 51-101 and uses definitions and guidelines contained in the COGE Handbook. Obsidian Energy abandonment and reclamation costs associated with active wells, facilities, and pipelines have been included in the 2021 Reserves Report as part of future net revenue calculations. The price assumptions in our YE2021 reserves evaluation were based on an average of four independent reserve evaluators’ forecasts (Sproule Associates, GLJ Ltd., McDaniel & Associates Consultants and Deloitte Resource Evaluation & Advisory).

See ‘*Non-GAAP Measures Advisory*’ for further details. Additional reserve information can be found in Appendix A-3 of our Annual Information Form for the year ended December 31, 2021, available at [www.obsidianenergy.com](http://www.obsidianenergy.com).

# DEFINITIONS AND INDUSTRY TERMS

**2022E** meant the expected 2022 results, based on internal assumptions and estimates

**2023E** means forecast expectations for 2023 based on internal assumptions and estimates

**PDP** means proved developed producing reserves as per Oil and Gas Disclosures Advisory

**1P** means proved reserves as per Oil and Gas Disclosures Advisory

**2P** means proved plus probable reserves as per Oil and Gas Disclosures Advisory

**AECO** means Alberta benchmark price for natural gas

**AER** is the Alberta Energy Regulator

**ARO** means asset retirement obligation

**ASRP** means Alberta Site Rehabilitation Program

**bbl** means barrels of oil

**bbl/d** means barrels of oil per day

**boe** and **boe/d** means barrels of oil equivalent and barrels of oil equivalent per day, respectively

**CAD** means Canadian Dollar

**Capital Efficiency** is a metric that approximates cash flow generated for each investment dollar, **and** measures the ratio of how much a company spends growing revenue and how much they get in return

**CEE** means Canadian exploration expenses

**CO<sub>2</sub>** means carbon dioxide

**Company, Obsidian Energy or OBE** means Obsidian Energy Ltd.; as applicable

**Debt** is bank debt and senior notes.

**Decommissioning** means decommissioning expenditures

**DCET** stands for Drilling, Case, Equip and Tie-in capital, and represents all necessary capital to drill and produce a well into the existing field infrastructure. Value does not include additional field infrastructure or lease construction and acquisition costs

**EUR** means expected ultimate recovery, which is the total economic recoverable hydrocarbon

**F&D** means finding and development cost, and refers to costs incurred when a company purchases, researches and develops properties to establish reserves

**FX** means foreign exchange rate, in our case typically refers to C\$ to US\$ exchange rates

**G&A** means general and administrative costs

**GJ** means gigajoule

**Independent, Qualified Reserve Estimator** refers to Sproule Associates Limited

**IRR** stands for Internal Rate of Return

**Legacy** refers to a collection of all OBE properties outside of our core development areas of Cardium (Central), Peace River, and Alberta Viking

**Liquids** means crude oil and NGLs

**m** means metres

**MMboe** means million barrels of oil equivalent

**mmcf** means million cubic feet

**mmcf/d** means million cubic feet per day

**NPV or NPV Btax 10%** means net present value, before tax discounted at 10%

**NYSE American** means the New York Stock Exchange, American

**Oil IP365** means total barrels of oil produced over the first 365 days of well production, excluding any required cleanup time

**OPEX** means operating expenses

**Payout** means the time it takes to cover the return of the initial cash outlay

**PROP** means Peace River Oil Partnership

**PROP Acquisition** refers to the acquisition of the remaining 45% interest in PROP, which closed November 24, 2021

**PROP45** means our wholly-owned subsidiary, PROP Energy 45 Limited Partnership

**Reserves** references are based on the report prepared by Sproule Associates Limited dated January 28, 2022 attributable to the Company's reserves effective as at December 31, 2021. For additional reserve definitions, see the Release

**RLI** means Reserve Life Index

**Rig Release** refers to the date when drilling is finished at a wellsite and the drilling rig is 'released' to go to another site

**SR&ED** is the Scientific Research & Experimental Development program, a government incentive tax credit

**tCO<sub>2</sub>e** is tonnes per year of carbon dioxide equivalent

**Total IP365** means total barrels of oil equivalent produced over the first 365 days of well production, excluding any required cleanup time

**TSX** means the Toronto Stock Exchange

**USD** means United States Dollar

**WCS** means Western Canadian Select

**WTI** means West Texas Intermediate

**YE** means year end

# NON-GAAP MEASURES ADVISORY

Throughout this presentation and in other materials disclosed by the Company, we employ certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other issuers. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss) and cash flow from operating activities as indicators of our performance. The Company's unaudited consolidated financial statements and notes and management's discussion and analysis ("MD&A") as at and for the three months ended March 31, 2022, are available on the Company's website at [www.obsidianenergy.com](http://www.obsidianenergy.com) and under our SEDAR profile at [www.sedar.com](http://www.sedar.com). The disclosure under the section "Non-GAAP and Other Financial Measures" in the MD&A is incorporated by reference into this presentation.

## *Non-GAAP Financial Measures*

The following measures are non-GAAP financial measures: FFO; adjusted FFO; net debt; net operating costs; enterprise value and FCF. These non-GAAP financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

## *Non-GAAP Ratios*

The following measures are non-GAAP ratios: net debt to FFO which uses both net debt and FFO as components and recycle ratio which uses netback as a component. These non-GAAP ratios are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

**Adjusted Funds Flow from Operations (FFO)** is funds flow from operations excluding non-cash share-based compensation charges related to the deferred share units, performance share units and non-treasury incentive plan awards. Adjusted FFO is used to assess the combined entity's ability to fund planned capital programs.

**Enterprise Value or EV** is a measure of total value of the applicable company calculated by aggregating the market value of its common shares at a specific date, adding its total Debt and subtracting its cash and cash and cash equivalents.

**Free cash flow (FCF)** is FFO less capital and decommissioning expenditures.

**Funds Flow from Operations (FFO)** is cash flow from operating activities before changes in non-cash working capital, decommissioning expenditures, onerous office lease settlements, the effects of financing related transactions from foreign exchange contracts and debt repayments, restructuring charges, transaction costs and certain other expenses and is representative of cash related to continuing operations. FFO is used to assess the combined entity's ability to fund planned capital programs.

## **Notice to Shareholders in the United States**

The financial information presented herein has been prepared in accordance with Canadian GAAP and is subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of U.S. companies presented in accordance with U.S. GAAP.

**Net Debt** is the amount of long-term debt, comprised of senior notes and bank debt, plus net working capital (surplus)/deficit. Net Debt is a measure of leverage and liquidity.

**Net Debt to Funds Flow from Operations** is net debt divided by funds flow from operations.

**Netback** is the per unit of production amount of revenue less royalties, net operating expenses, transportation expenses and realized risk management gains and losses, and is used in capital allocation decisions and to economically rank projects.

**Recycle Ratio** is calculated by dividing the operating netback by the F&D costs for the year. The recycle ratio compares netback from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacement reserves are of equivalent quality as the produced reserves.



# 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.

## Drilling Opportunities

This presentation discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) drilling opportunities. Proved locations and probable locations are derived from the Sproule Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Drilling opportunities are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Drilling opportunities do not have attributed reserves or resources.

Corporately, the Company has 269 gross booked proved locations and 287 gross booked probable locations as set forth in the Sproule Report at December 31, 2021.

Drilling opportunities have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all drilling opportunities and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the drilling opportunities have been derisked by drilling existing wells in relative close proximity to such drilling opportunities, other drilling opportunities 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 or production.

## Test Results and Initial Production Rates

Readers are cautioned that initial production rates and/or production test results disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery and therefore should not be relied upon for investment or other purposes. A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered preliminary until such analysis or interpretation has been completed.

# 2021 RESERVES DISCLOSURE AND DEFINITIONS

Unless otherwise noted, any reference to 2021 reserves in this presentation are based on the report (“**Sproule Report**”) prepared by Sproule Associates Limited dated January 28, 2022 where they evaluated one hundred percent of the crude oil, natural gas and natural gas liquids reserves of Obsidian Energy and the net present value of future net revenue attributable to those reserves effective as at December 31, 2021. For further information regarding the Sproule Report, see our Release. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

## Production and Reserves

The use of the word “gross” in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share before deduction of royalties and without including our royalty interests, (ii) in relation to wells, means the total number of wells in which we have an interest, and (iii) in relation to properties, means the total area of properties in which we have an interest. The use of the word “net” in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share after deduction of royalty obligations, plus our royalty interests, (ii) in relation to our interest in wells, means the number of wells obtained by aggregating our working interest in each of our gross wells, and (iii) in relation to our interest in a property, means the total area in which we have an interest multiplied by the working interest owned by us. Unless otherwise stated, production volumes and reserves estimates in this presentation are stated on a gross basis. All references to well counts are net to the Company, unless otherwise indicated.

## Reserve Definitions

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

- **proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- **probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

TSX:/NYSE American: OBE

## Reserve Definitions, cont.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories:

**Developed reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

**Developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

**Developed non-producing reserves** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable) to which they are assigned.

**Finding and development (F&D) costs** are the sum of capital expenditures incurred in the period, plus the change in estimated future development capital for the reserves category, all divided by the change in reserves during the period. F&D costs exclude the impact of acquisitions and divestitures.

**FD&A costs** are the sum of capital expenditures incurred in the period for the reserves category and including the impact of acquisition and disposition activity, all divided by the change in reserves during the period.

**RLI or Reserve Life Index** is calculated as total Company gross reserves divided by Sproule's forecasted 2022 production for the associated reserve category.

For additional reserve definitions, see the Release: [“Obsidian Energy Announces 2021 Reserves Value Increase of Over 50 Percent with Year-End Reserve Report.”](#)

# FORWARD-LOOKING INFORMATION ADVISORY

Certain statements contained in this document constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. 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 addition, statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the following: our decline rates; our expected drilling opportunities; commitment to ESG practices; our optionality to changing commodity prices; that there is additional upside via our diverse asset base, waterflood management and EOR projects; our expectations for cost management; our strategies to achieve shareholder returns; our updated 2022 full year guidance and 2023 preliminary forecast, based on certain assumptions, for production, FFO, FCF, capital and decommissioning expenditures, year-end net debt and year-end net debt to FFO; the potential value to be derived from our tax pools; how we plan to execute our 2022 development program and projected production growth; our expectation for the refinancing of our debt facilities; expected debt levels; our expanded 2022 development program; that our existing flexible infrastructure allows ability to maximize production and growth with minimal infrastructure spend in certain locations; expectations for certain costs; our goals in connection with our ESG practices, including GHG emissions, water usage, asset retirement management and investment in the community; our expectations for decommissioning and the ASRP in 2022; the impact on share based compensation in connection with changes in the share value; expected timing for various elements of the share based compensation program; our hedges; and the reasons to invest in Obsidian Energy.

The key metrics for the Company set forth in this presentation may be considered to be future-oriented financial information ("FOFI") or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this presentation are based on assumptions about future events based on management's assessment of the relevant information currently available. In particular, this presentation contains projected operational and financial information for 2022, 2023 and beyond for the Company. The future-oriented financial information and financial outlooks contained in this presentation have been approved by management as of the date of this presentation. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

With respect to forward-looking statements and FOFI contained in this document, the Company has made assumptions regarding, among other things: that the Company does not dispose of or acquire material producing properties or royalties or other interests therein (provided that, except where otherwise stated, the forward-looking statements and FOFI contained herein (including our guidance set out under "Our Two-Year Corporate Plan") do not assume the completion of any transaction); 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 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 (including the ASRP) 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; future inflation rates; 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; 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, such as wild fires and flooding, 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; that we are able to successfully complete the refinancing of our syndicated debt facility on acceptable terms and our ability (if necessary) to finance the repayment of our senior notes and our wholly-owned subsidiaries limited-recourse loan on maturity; and our ability to add production and reserves through our development and exploitation activities. In addition, many of the forward-looking statements contained in this document are located proximate to assumptions that are specific to those forward-looking statements, and such assumptions should be taken into account when reading such forward-looking statements.

# FORWARD-LOOKING INFORMATION ADVISORY (CONT.)

Although the Company believes that the expectations reflected in the forward-looking statements and FOFI contained in this document, and the assumptions on which such forward-looking statements and FOFI are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements and FOFI included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements and FOFI involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the forward-looking statements and FOFI contained herein will not be correct, which may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements and FOFI. These risks and uncertainties include, among other things: the possibility that we change our 2022 budget and 2023 preliminary forecast in response to internal and external factors, including those described herein; 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 is unable to complete one or more of the potential transactions being pursued, on favorable terms or at all; 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 there is another significant decrease in the valuation of oil and natural gas companies and their securities and in confidence in the oil and natural gas industry generally, whether caused by a resurgence of the COVID-19 pandemic, the worldwide transition towards less reliance on fossil fuels and/or other factors; the risk that the COVID-19 and/or other factors 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 or refinance our credit facilities on acceptable terms or at all and/or finance the

repayment of our senior notes and limited recourse debt in connection with the PROP acquisition when they mature on acceptable terms or at all and/or obtain debt and/or equity financing to replace one or all of our credit facilities, limited recourse debt 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 failing to rise or other factors; the risk that OPEC 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; the risk that our costs increase significantly due to inflation, supply chain disruptions and/or other factors, adversely affecting our profitability; 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 risk that wars and other armed conflicts adversely affect world economies and the demand for oil and natural gas including the ongoing war between Russia and Ukraine; 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 and/or public opinion and/or special interest groups. 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](http://www.sedar.com)), EDGAR website ([www.sec.gov](http://www.sec.gov)) or Obsidian Energy's website. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Unless otherwise specified, the forward-looking statements contained in this document speak only as of June 15, 2022. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward. Please note that illustrative examples are not to be construed as guidance for the Company and further details on assumptions can be found in the Endnotes section of the presentation.