



# *Obsidian Energy Ltd.*

Corporate Presentation

February 2023



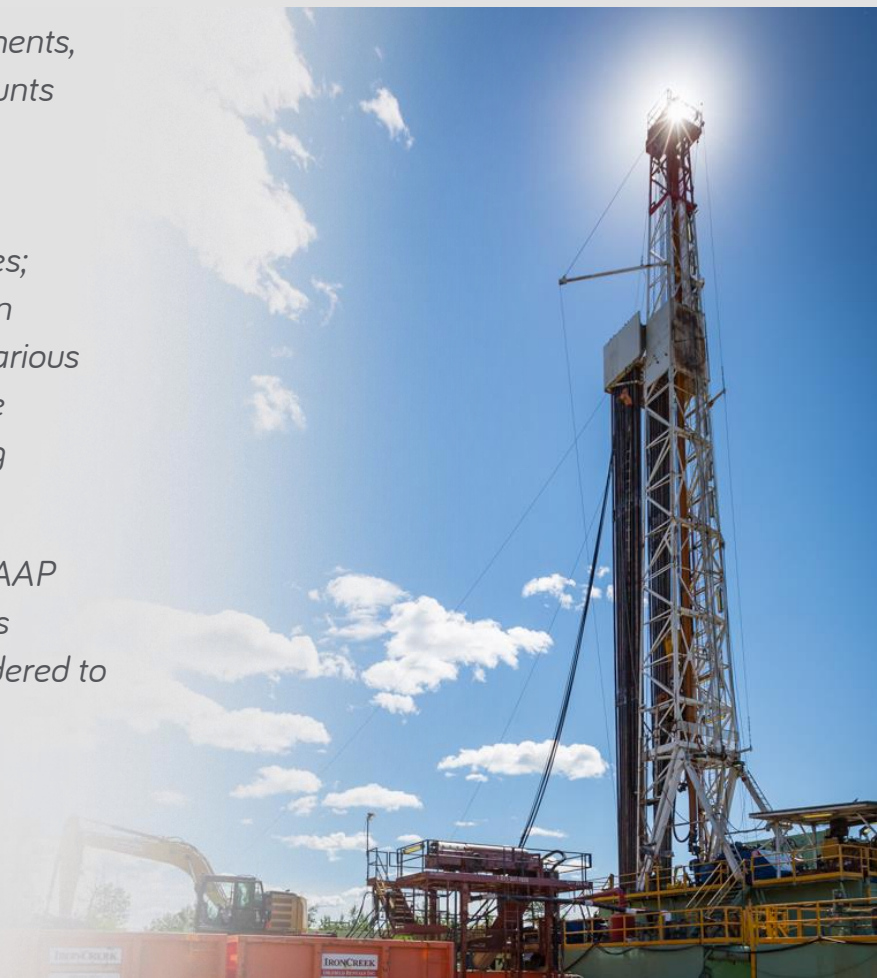


# ADVISORY

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

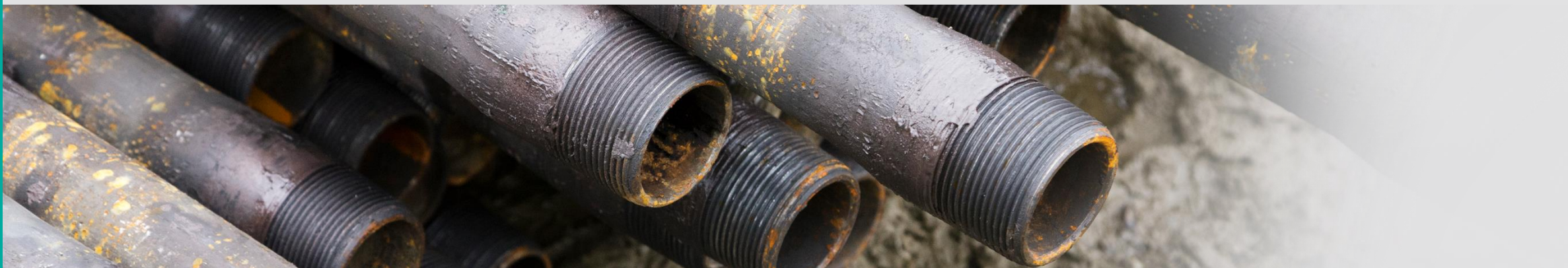
*Certain financial measures included in this presentation do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore are considered Non-GAAP measures; accordingly, they may not be comparable to similar measures provided by other issuers. This presentation 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 Measures 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



## FREE CASH FLOW (FCF)

FCF reduces anticipated year-end 2023E Net Debt<sup>1</sup> to \$215 million & Net Debt to FFO<sup>1</sup> of 0.5x

<sup>1</sup> 2023E based on 2023 mid-point guidance as of January 30, 2023;  
Net Debt to FFO prior to shares repurchases under the NCIB



## RETURN OF CAPITAL

TSX approved NCIB, which will be subject to maintaining \$65 million of liquidity and complying with current debt agreements



## 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 2022	30,682 boe/d
YoY production growth*	25%
Production mix (2022)	65% oil and liquids
Reserves (2P, YE 2022)	181 MMboe
Reserve Life Index (2P, YE 2022)	13 years
PDP decline (YE 2022)	24%
Tax pools (YE 2022)	\$2,431 million

\* 2022 average production over 2021 average production

## MARKET SUMMARY

Shares outstanding	82.4 million
Market capitalization	\$669 million
Net Debt (YE 2022)	\$317 million
Net Debt/FFO (YE 2022)	0.7x
Enterprise value	\$986 million



### HEADQUARTERS

Calgary, Alberta



### OPERATIONAL EXPERTISE

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



### STRONG TEAM

Experienced team of ~270 full-time staff and contractors delivering results year-over-year

**Q4 2022**  
31,742 boe/d

**PEACE RIVER**  
6,758 boe/d Q4 2022  
Cold flow heavy oil

**CARDIUM**  
23,076 boe/d Q4 2022  
Light oil conventional development

**VIKING**  
1,454 boe/d Q4 2022  
Higher GOR oil play

See endnotes for additional information

TSX:/NYSE American: OBE

\* Map volumes do not include additional 454 boe/d production from legacy wells outside these core areas

# CONSIDERABLE FUTURE VALUE FROM TAX POOLS

\$2.4 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	\$349 million	\$4.14/share
\$300 million	\$400 million	\$4.75/share
\$400 million	\$430 million	\$5.10/share
\$500 million	\$449 million	\$5.32/share

<sup>1</sup> Refers to an illustrative amount of pools used annually, assuming deductions available, until fully exhausted.

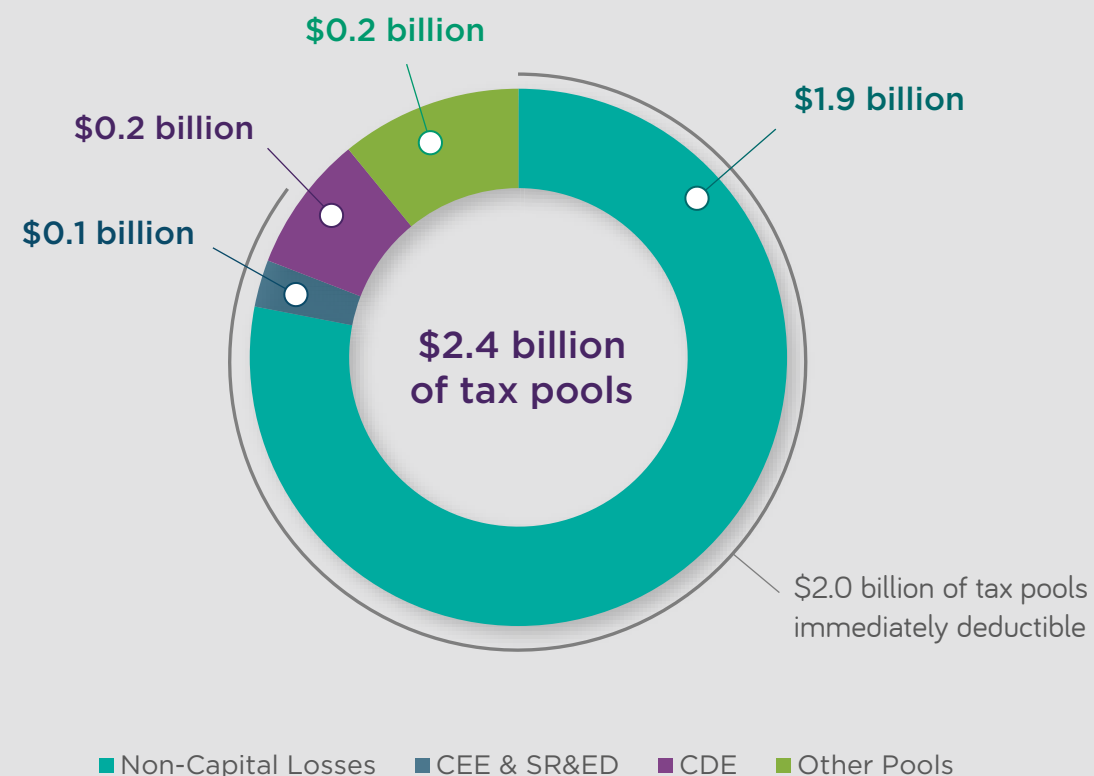
<sup>2</sup> Tax pool value based on tax rate of 23% (tax pools as at December 31, 2022). Value presented per Obsidian Energy share, using fully diluted shares outstanding as of December 31, 2022.

	Maximum Theoretical Value <sup>1</sup>	
Total	\$535 million	\$6.34/share
Immediately deductible	\$452 million	\$5.36/share

<sup>1</sup> Maximum theoretical value is calculated based on average 2022 tax rate of 23%, applied to Obsidian Energy's total and immediately deductible tax pools, and using fully diluted shares outstanding as of December 31, 2022.

## TAX POOL COMPOSITION

(December 31, 2022)





# 2022 HIGHLIGHTS

Successful, active year provides new opportunities for strong FCF and value in 2023 and beyond

- ▶ Increased production by 25% with largest development program in years
  - ▶ Willesden Green & Pembina: Continued strong drilling results with well performance at or above expectations
  - ▶ Peace River: Successfully grew Bluesky production and future locations, and began Clearwater exploration/appraisal drilling
  - ▶ Viking: Returned to development drilling in area, quickly bringing on production at strong economics and opening new area
- ▶ Increased ownership in key areas
  - ▶ Willesden Green & Pembina: Acquired additional land for prospective Cardium opportunities
  - ▶ Peace River: Acquired 36 sections and gas plant, bringing total land ownership to ~500 sections and infrastructure to ~70% of total area gas processing capacity
- ▶ Completed debt refinancing, creating more favourable debt structure
  - ▶ Reduced net debt by 23%, including ~\$30 million term loan repayment subsequent to refinancing
- ▶ Reduced decommissioning liability with the abandonment of 257 wells (12% of our inactive inventory) and 599 kilometres of pipelines



# DELIVERING RESULTS – 2022

Strategy and execution combined with improved commodity prices create momentum for long-term value

	2021	2022E	2022 Results
Production	24,605 boe/d	30,800 – 31,200 boe/d	30,682 boe/d
Capital expenditures <sup>1</sup>	\$140.9 million	\$320 – 330 million	\$319.4 million
Decommissioning expenditures	\$8.1 million	\$18 million	\$18.8 million
Net operating costs <sup>2</sup>	\$13.04/boe	\$13.50 – \$14.00/boe	\$14.29 /boe
General & administrative <sup>3</sup>	\$1.69/boe	\$1.55 – \$1.65/boe	\$1.64/boe
Funds flow from operations (FFO) <sup>2</sup>	\$217.9 million	\$441 – \$456 million	\$450.7 million
Adjusted FFO <sup>2</sup>	\$235.0 million	\$487 – \$502 million	\$474.1 million
Free cash flow (FCF)	\$68.9 million	\$98 – \$113 million	\$117.1 million
FCF yield	16%	-	16%
Net Debt <sup>2</sup>	\$413.5 million	\$335 – \$320 million	\$316.8 million
Net Debt to FFO <sup>2</sup>	1.9x	0.8x – 0.7x	0.7x

<sup>1</sup> 2022 includes capital expenditures of \$314.8 million and property acquisitions of \$4.6 million.

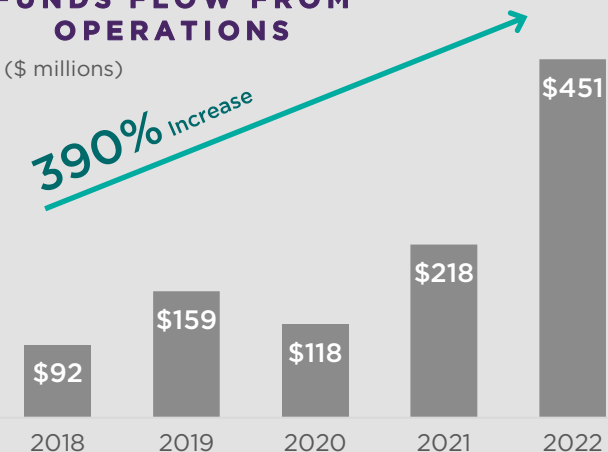
<sup>2</sup> Non-GAAP financial measure; see 'Non-GAAP Measures Advisory'.

<sup>3</sup> Supplementary financial measure; see 'Non-GAAP Measures Advisory'.



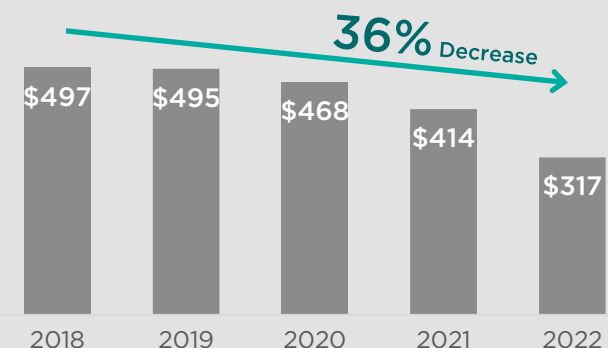
## FUNDS FLOW FROM OPERATIONS

(\$ millions)



## NET DEBT

(\$ millions)



See endnotes for additional information

# 2022 RESERVES HIGHLIGHTS

Growth in reserves values and volumes generating strong reserve replacement and recycle ratios

- ▶ 311 net 2P locations:
  - ▶ 236 net Cardium locations, 22 net Bluesky locations, 2 net Clearwater locations, 49 net Viking locations, 1 net Devonian location and 1 net Mannville location

## YEAR-END 2022 RESERVES SUMMARY

	Proved developed producing (PDP)	Total proved (1P)	Total proved plus probable (2P)
Reserves volume	76.2 MMboe	126.5 MMboe	180.6 MMboe
Reserves value (NPV10, before tax)	\$1.6 billion	\$2.1 billion	\$2.8 billion
Reserve replacement (% of production)	144%	214%	393%
Recycle ratios	2.4x	1.9x	2.6x
Reserve life index	6.8 years	9.9 years	13.3 years
F&D costs	\$20.48/boe	\$26.88/boe	\$19.21/boe
FD&A costs	\$20.53/boe	\$26.63/boe	\$19.06/boe

*Note: Reserves are shown on a gross working interest basis; F&D and FD&A costs include changes in future development capital.*

See endnotes for additional information

### *Sixth Year*

of >100% reserve  
replacement (1P & 2P)

### *49%/54% Increase*

in 1P/2P reserves @ NPV10%

### *144% to 393%*

replacement of 2022 production

### *1.9x to 2.6x*

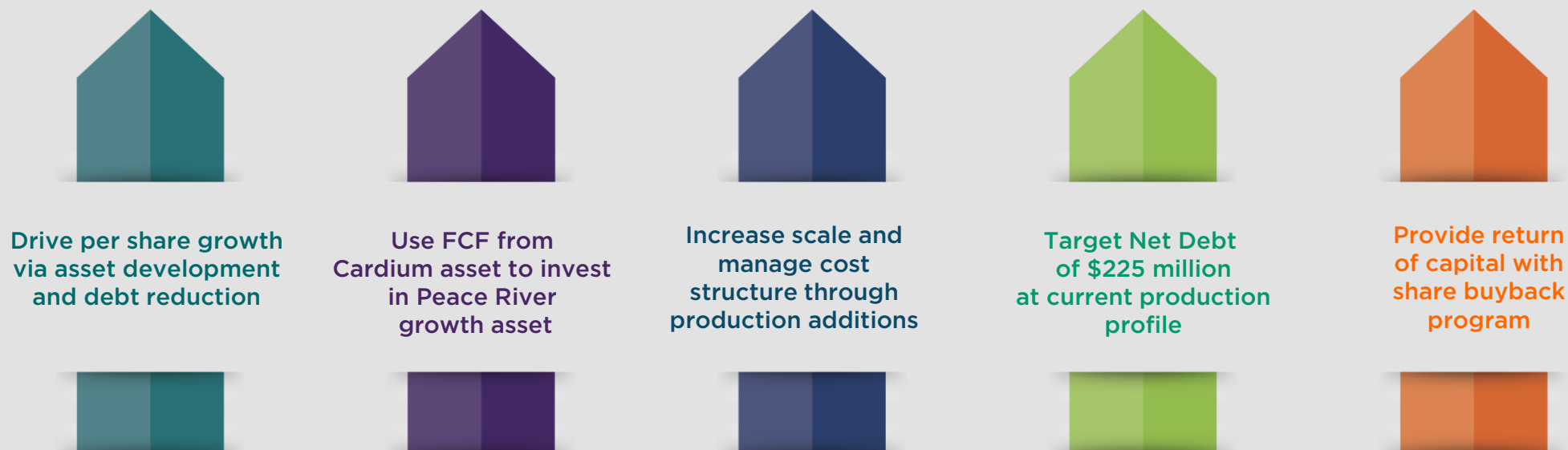
recycle ratios



# OBSIDIAN ENERGY STRATEGY

We focus on superior execution throughout to deliver results

## SUPERIOR SHAREHOLDER RETURN



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

# FOCUSING ON 2023

Balanced strategy and plans with optionality to adjust in the year



2023 plans expected to deliver 7% production growth, solid FCF, debt reduction and return of capital to shareholders to maximize value

## OPERATIONS

- ▶ Capital investment focused on \$240 million in base core business to increase production, and \$25 million for exploration/appraisal in Peace River
- ▶ First half program utilizes five rigs in all areas
- ▶ Expected year-over-year production growth of 7% (annualized)
- ▶ Clearwater and Bluesky exploration/appraisal drilling program to appraise large Peace River land base
- ▶ Contracted services for first half 2023 drilling and operating activities to manage cost pressures and inflation for rigs, services and key commodities (e.g., steel)

## FINANCIAL

- ▶ Production growth contributing to FCF of \$105 million (prior to NCIB)
- ▶ Continue to reduce debt and leverage levels
- ▶ Expand debt capital to enhance liquidity
- ▶ Committed to return of capital to shareholders
  - ▶ Approved to initiate a NCIB by TSX
  - ▶ Evaluate additional return of capital plans as Net Debt target of \$225\* million is being reached

\* Net Debt target based on guidance and subject to shares purchased under a NCIB.

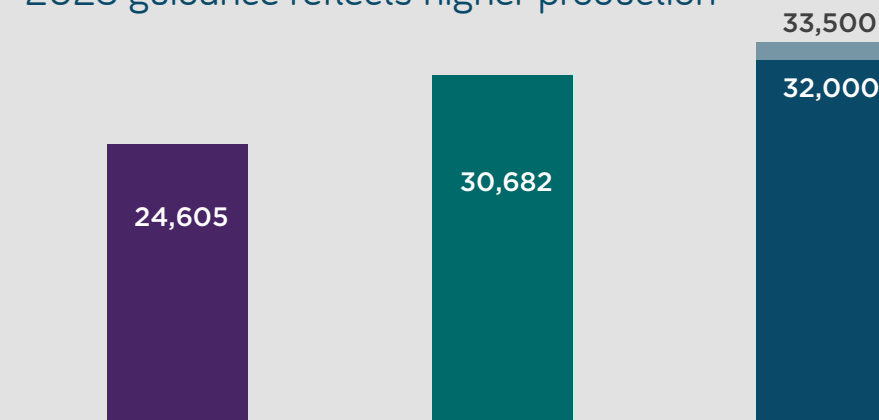
# OUR TWO-YEAR CORPORATE PERFORMANCE

Growth in free cash flow allocated to modest production growth, debt reduction and return of capital to shareholders

## PRODUCTION OUTLOOK

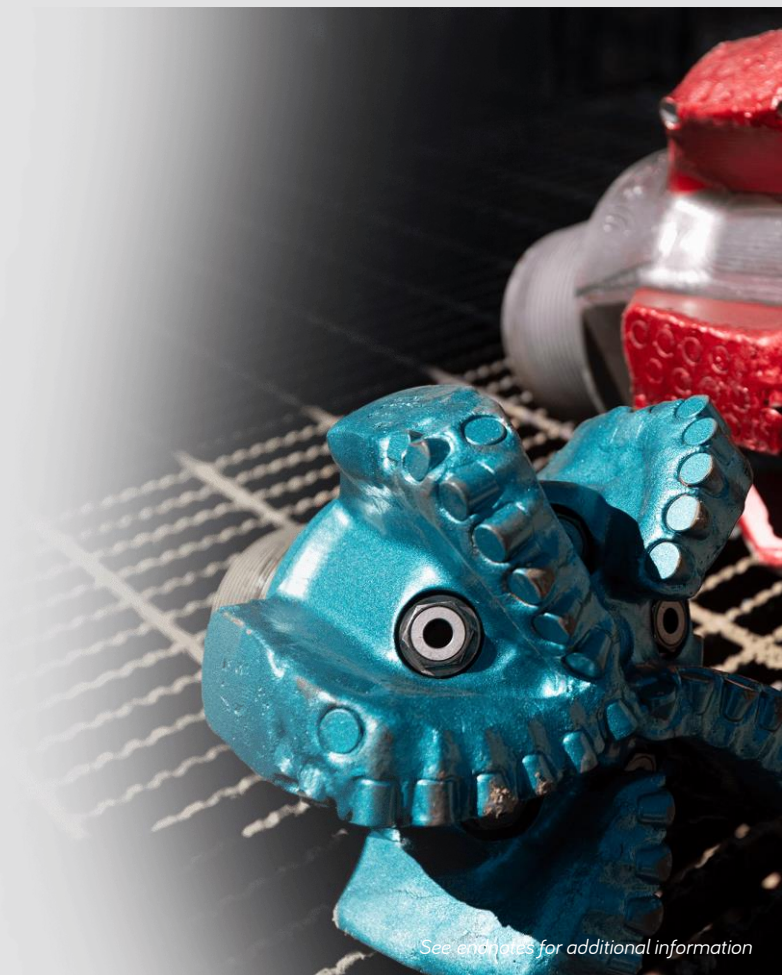
(boe/d)

2023 guidance reflects higher production



	2021	2022	2023E
WTI	US\$68/bbl	US\$94/bbl	US80.00/bbl
AECO	\$3.45/GJ	\$5.04/GJ	\$3.00/GJ
Funds Flow from Operations	\$218 million	\$451 million	\$395 million
Free Cash Flow	\$69 million	\$117 million	\$105 million
Capital Expenditures <sup>1</sup>	\$141 million	\$319 million	\$260 - \$270 million
Decommissioning Expenditures	\$8 million	\$19 million	\$26 - \$28 million
Net Debt (prior to NCIB)	\$414 million	\$317 million	\$215 million
Net Debt to FFO (prior to NCIB)	1.9x	0.7x	~0.6x

<sup>1</sup> Capital expenditures include property acquisitions for 2022.



See enclaves for additional information



# 2023 DEVELOPMENT PROGRAM

First half drilling program in progress across all areas

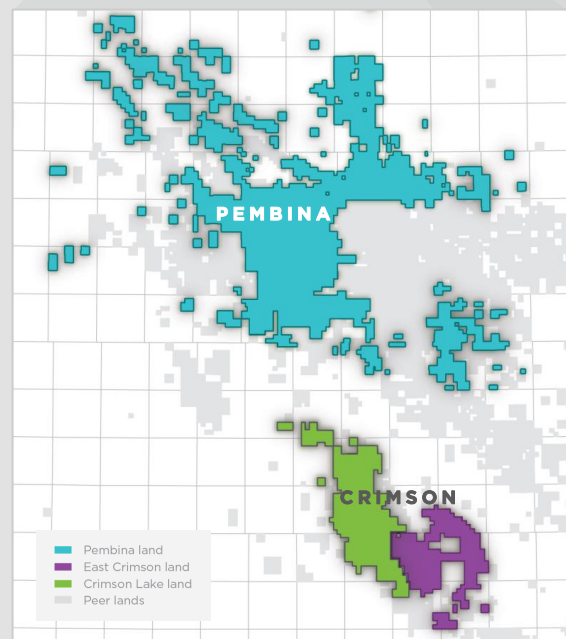
## 46 (44.2 NET) WELLS DRILLING PROGRAM

- ▶ Expected average production of ~32,750 boe/d, a 7% annualized production growth from 2022
- ▶ Ability to alter program quickly in response to commodity prices
- ▶ First half 2023 contracts for rigs, services and key commodities (e.g., steel) in place

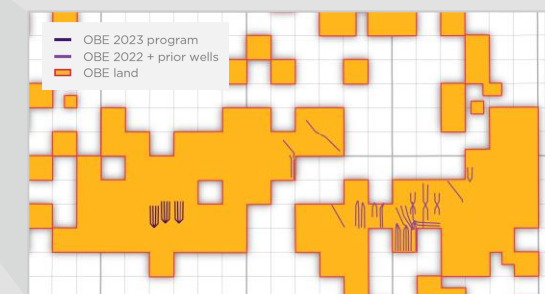
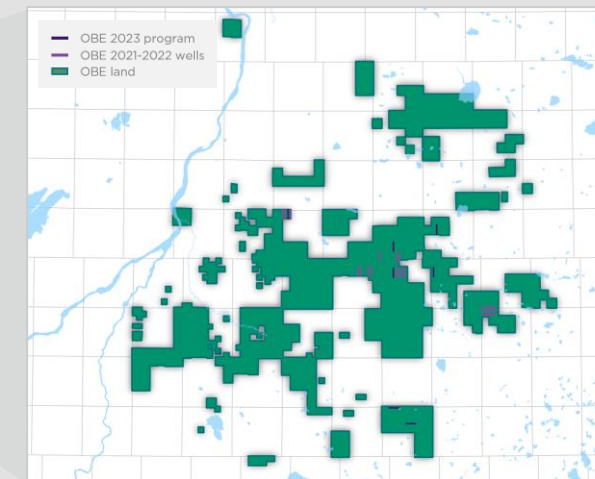
	H1 Gross (Net) Wells	H2 Gross (Net) Wells	Total Gross (Net) Wells
Willesden Green (Cardium)	5 (5.0)	6 (6.0)	11 (11.0)
Pembina (Cardium/Devonian)	2 (1.8)	6 (4.4)	8 (6.2)
Peace River (Bluesky)	5 (5.0) <sup>1</sup>	7 (7.0)	12 (12.0)
Peace River (Clearwater)	2 (2.0)	2 (2.0)	4 (4.0)
Viking	11 (11.0)	—	11 (11.0)
<b>Total</b>	<b>25 (24.8)<sup>2</sup></b>	<b>21 (19.4)</b>	<b>46 (44.2)<sup>3</sup></b>

- Two of the five wells are exploration/appraisal wells to further delineate the Bluesky play.
- Three wells (2.9 net) were spud in 2022 and rig-released in 2023 (not included in total). Eight wells (7.8 net) were spud and rig released in 2022, of which six (5.8 net) wells are currently on production.
- 37 wells (35.2 net) rig-released in 2023 are expected to be brought on production by the end of 2023 with the remainder in early 2024. In addition, up to four vertical oil sands exploration wells are planned to collect additional reservoir data in the Peace River area.

### CRIMSON & PEMBINA



### PEACE RIVER



### VIKING

See endnotes for additional information

# LEADING CARDIUM PLAY AREAS

Our core foundation with ~25 years of drilling opportunities for future development

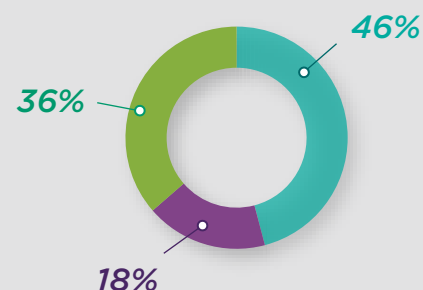
## FIELD HISTORY

- ▶ One of North America's most significant light oil fields
- ▶ Development since the 1950's; various phases have kept field producing for over 70 years
- ▶ Advances in horizontal and halo drilling since late 2000's rejuvenated the field

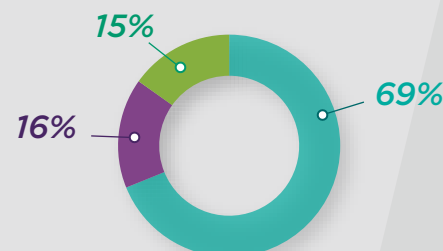
## OUR CARDIUM ASSETS

- ▶ Largest acreage holder with ~25 years of drilling opportunities at current drilling rates
- ▶ Substantial locations with only 236 net booked 2P locations (YE 2022)
  - ▶ Significant future upside to 2P reserve values
- ▶ Best-in-class wells in Willesden Green acreage since mid-2018
- ▶ Low cost, high return optimization programs and field management in Pembina yield strong results, keeping production decline rates low

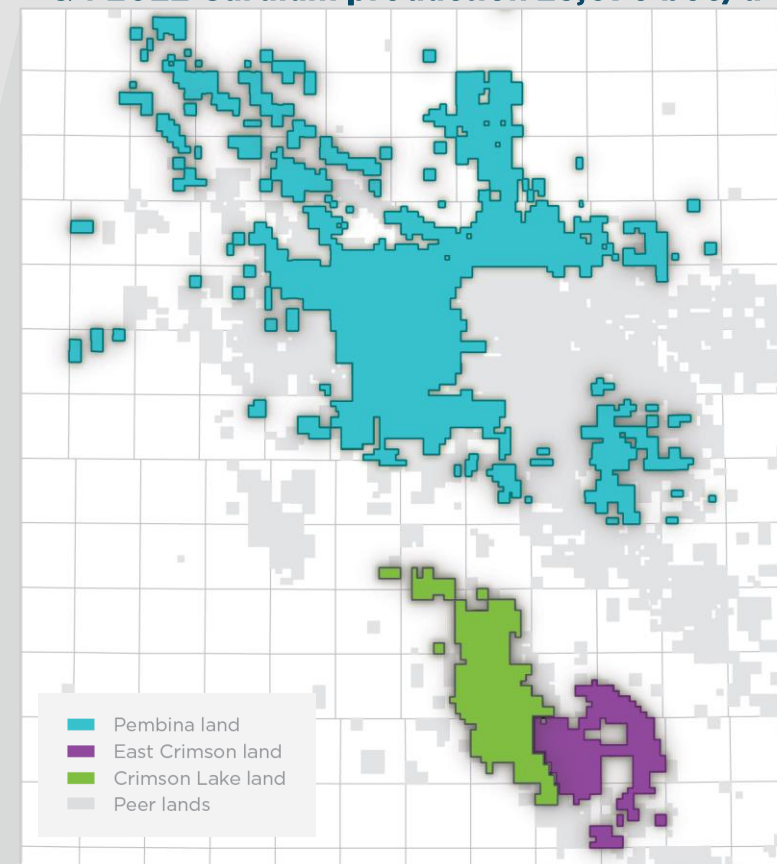
CARDIUM PRODUCTION (Q4 2022)



CARDIUM 2P LOCATIONS (NET)



Q4 2022 Cardium production 23,076 boe/d



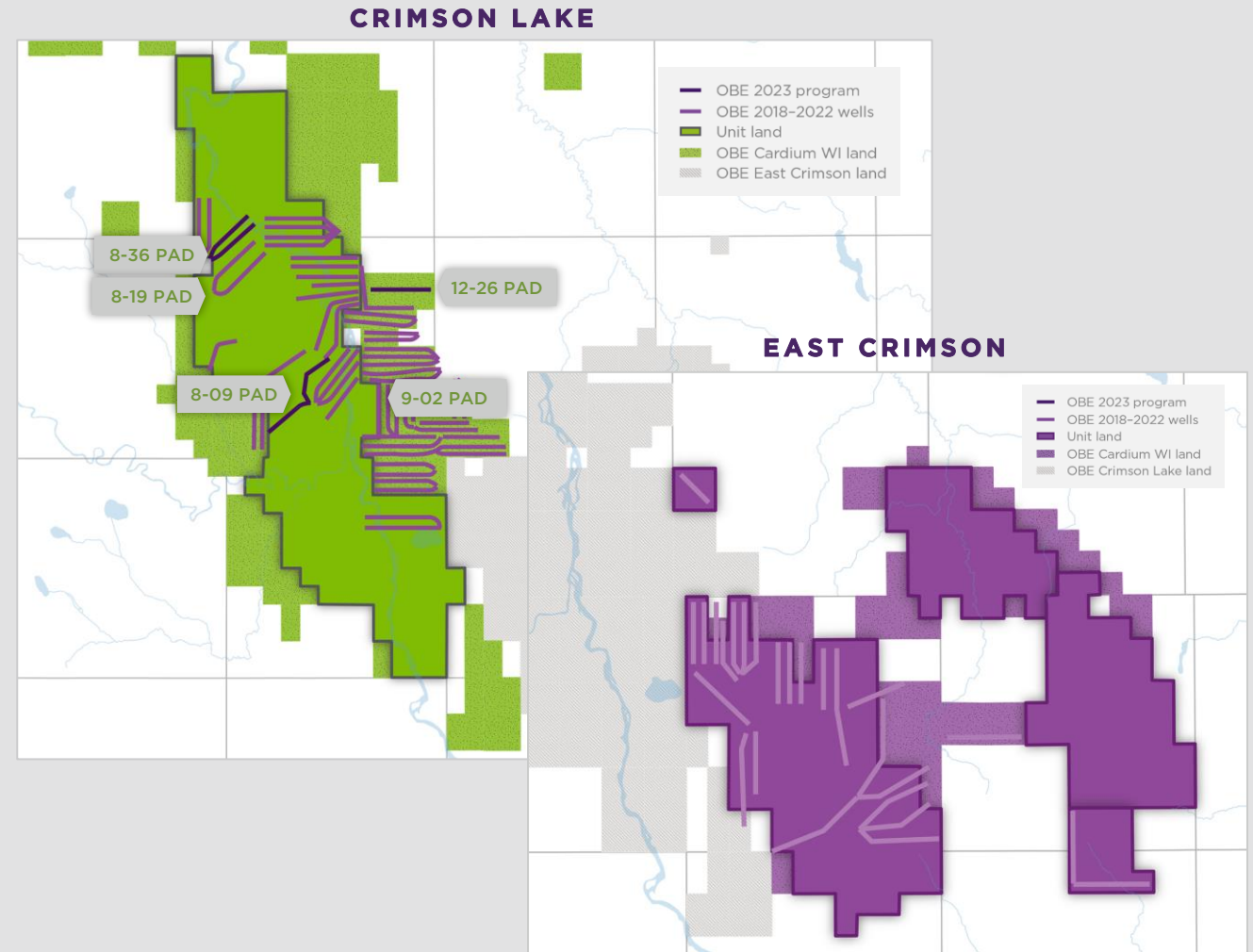
236 net booked 2P Cardium locations

See endnotes for additional information; see appendix for area economics

# WILLESDEN GREEN – CRIMSON LAKE AND EAST CRIMSON

Foundational asset with horizontal development providing strong returns and quick payouts

- ▶ Foundational asset providing highest IP rates in our Cardium portfolio
  - ▶ Able to manage inventory to capitalize on commodity prices
  - ▶ Flexible, operated infrastructure allows ability to maximize production with minimal infrastructure spend
- ▶ Crimson Lake: Cornerstone for primary Cardium development
  - ▶ Top quality reservoir with banked oil from historical pressure maintenance
- ▶ East Crimson: Eastward extension of Crimson Lake program
  - ▶ Combination of pressure supported edge drilling and underdeveloped unit fairways
- ▶ 2022 program – updated well results:
  - ▶ Pad 8-36 (2 wells) – IP10 259 boe/d (65% oil)
  - ▶ Pad 9-02 (1 well) – IP10 166 boe/d (90% oil)
  - ▶ Pad 8-19 (1 well) – IP30 667 boe/d (84% oi)
- ▶ 2023 program: 11 Cardium wells (11.0 net)
  - ▶ Follow up on successful 2022 well results and field delineation further north
  - ▶ H1 2023: 5 wells (5.0 net)
    - ▶ Pad 8-36 (2 wells) – drilling
    - ▶ Pad 12-26 (1 well) – on production, IP10 397 boe/d (69% oil)
    - ▶ Pad 8-09 (2 wells) – rig released
  - ▶ H2 2023: 6 wells (6.0 net)



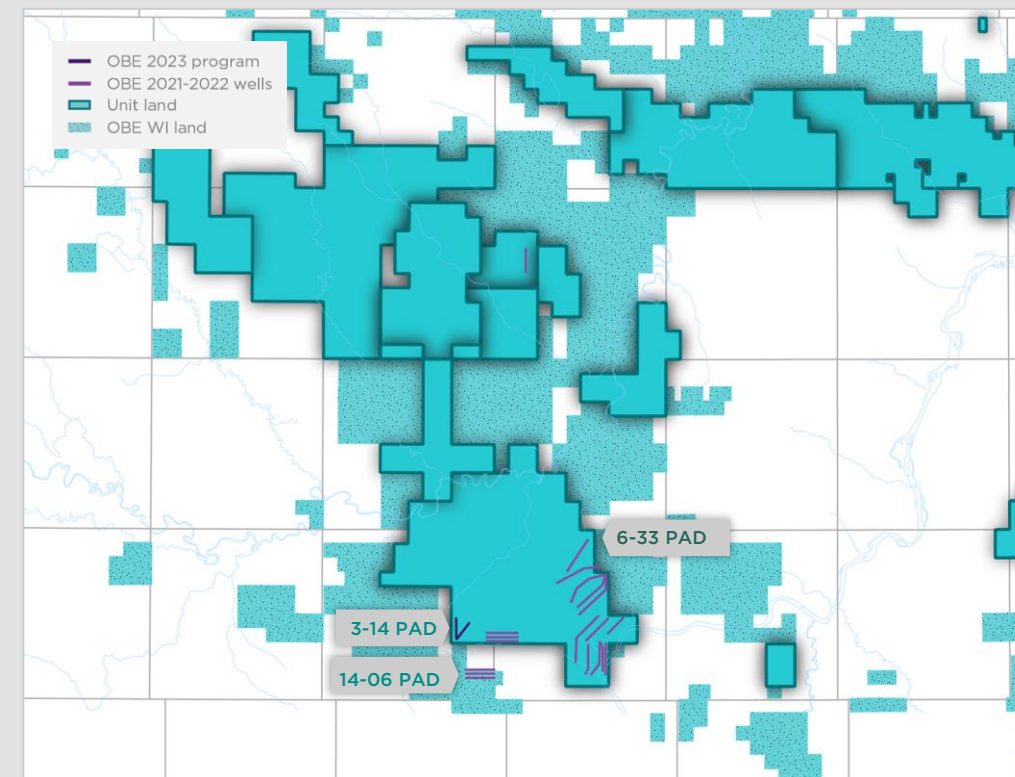
\* See appendix for area economics



# PEMBINA

Low decline rate supports primary horizontal drilling and future growth through waterfloods

- ▶ Low decline, pressure-maintained development
- ▶ Existing wells and infrastructure allow growth in scale with reduced capital cost
- ▶ Ability to de-risk opportunities and add additional locations through completed geological and reservoir modelling
- ▶ Multiple locations drilled into existing waterflood supported areas
  - ▶ Pipeline connected waterflood creates well uplift while reducing operating costs
- ▶ Successful return to Pembina development
  - ▶ 5 wells drilled in 2021 on two pads and 12 wells in 2022 with strong production results
  - ▶ Vertical Devonian exploration program delineates new land acquired in 2022 and highlights multizone opportunity
- ▶ 2022 program – updated well results:
  - ▶ Pad 14-06 (3 wells) – IP30 292 boe/d (59% oil)
  - ▶ Pad 6-33 (2 wells) – on production
- ▶ 2023 program: 8 wells (6.2 net)
  - ▶ Drill locations capture previously undrained parts of reservoir in highest geological quality zones
  - ▶ 6 Cardium and 2 Devonian vertical wells
    - ▶ H1: 2 wells (1.8 net)
      - ▶ Pad 3-14 (2 wells) – completed
    - ▶ H2: 6 wells (4.4 net)



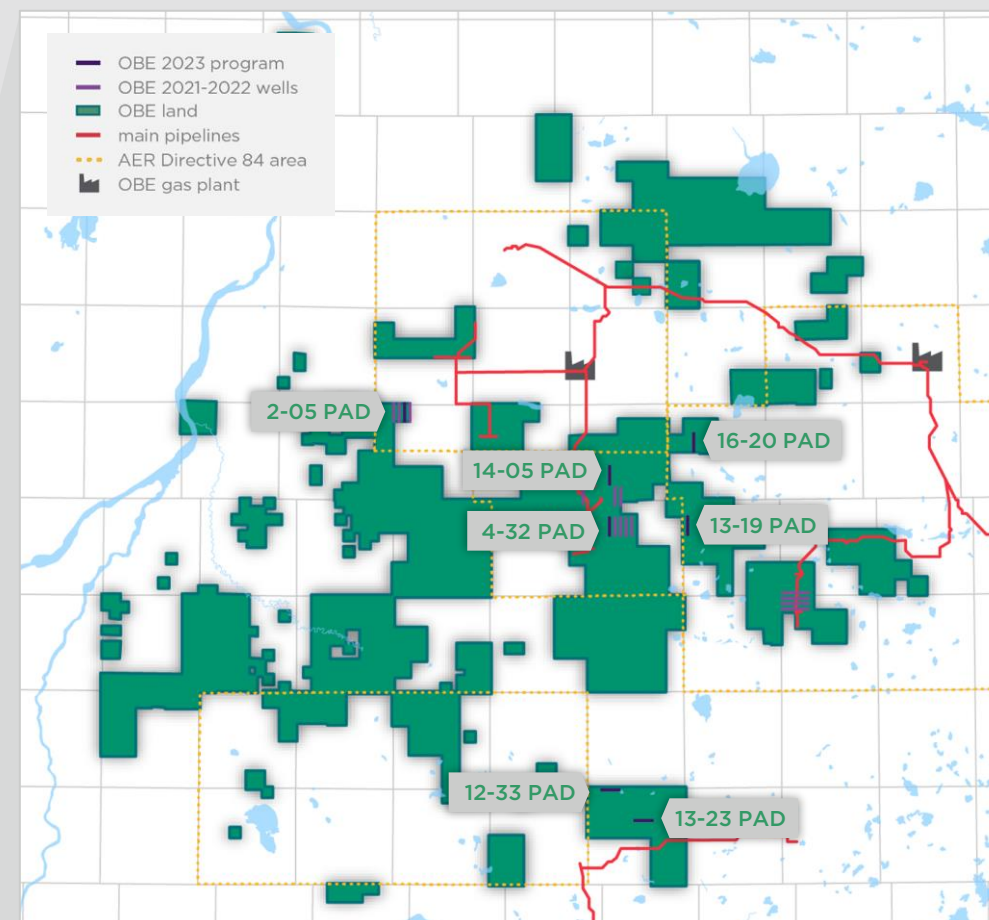
\* See appendix for area economics

# PEACE RIVER – GROWTH ASSET

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

**Q4 2022 Peace River production 6,758 boe/d**

- ▶ Cold-flow heavy oil resource developed with multi-leg horizontal wells
- ▶ Large, contiguous ~500 sections with established Bluesky and emerging Clearwater heavy oil play with favourable long-term land tenure
  - ▶ Surface synergy between Bluesky and Clearwater lowers exploration/appraisal well costs
- ▶ Substantial owned infrastructure and multiple sales points
  - ▶ Minimizes risk, approval timelines and capital requirements of development
  - ▶ Dominant gas infrastructure position with ~70% of available gas facilities
- ▶ 2023 program: 16 wells (12 Bluesky & 4 Clearwater)
  - ▶ Includes 6 exploration/appraisal wells targeting Bluesky and Clearwater formations
    - ▶ Encouraged by reservoir and fluid quality results
  - ▶ H1: 5 Bluesky wells (5.0 net)
    - ▶ Pad 14-05 (1 well) – rig released
    - ▶ Pad 4-32 (1 well) – drilling
    - ▶ Pad 2-05 (1 well) – rig released
    - ▶ Pad 16-20 (1 well) – on production, cleaning up
    - ▶ Pad 13-19 (1 well) – rig released
  - ▶ H1: 2 Clearwater wells (2.0 net)
    - ▶ Pad 12-33 (1 well) – on production, peak rate 123 bbl/d
    - ▶ Pad 13-23 (1 well) – to be drilled
  - ▶ H2: 7 Bluesky wells (7.0 net) & 2 Clearwater wells (2.0 net)
  - ▶ Up to four additional vertical oil sands exploration wells are planned to collect additional reservoir data

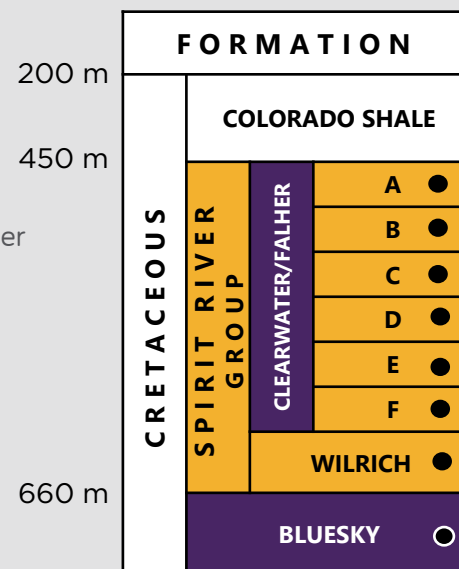


See endnotes for additional information; see appendix for area economics

# PEACE RIVER BLUESKY GROWTH

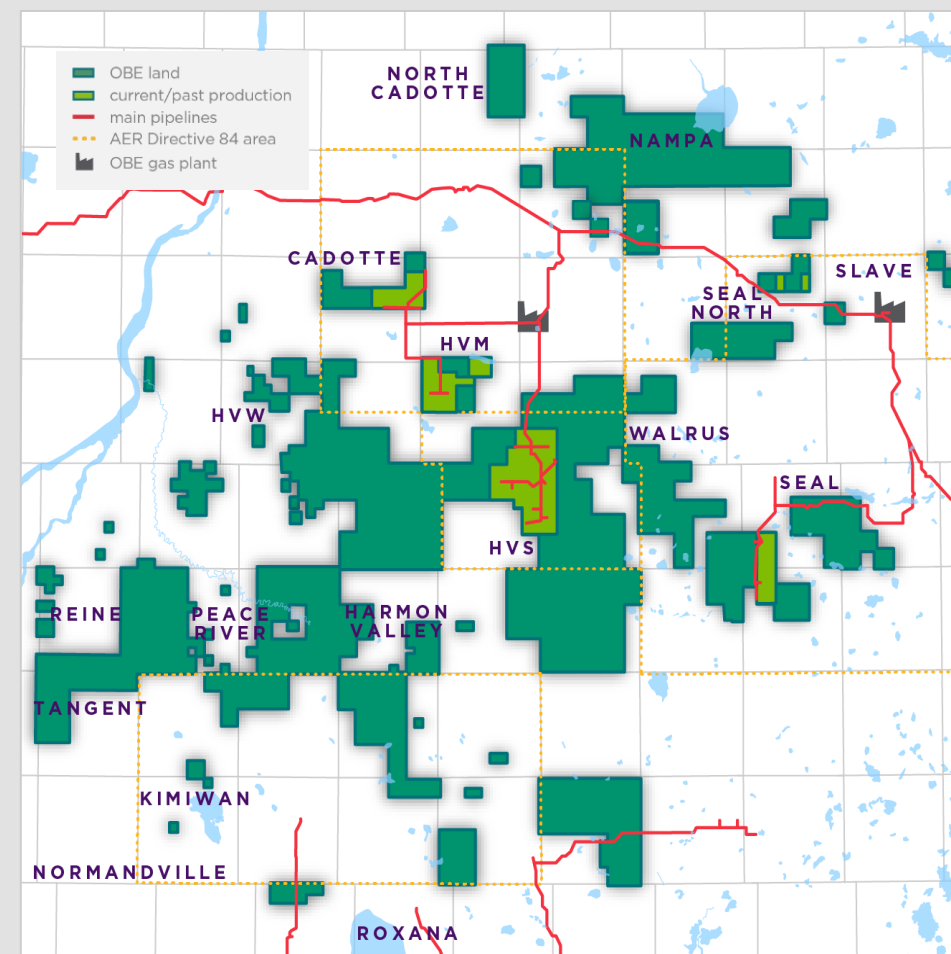
Solid growth upside through applying expertise and technology to the field

- ▶ Reliable and steady Bluesky production with shallow declines
  - ▶ Shallow drilling ~660 metres sub-surface
- ▶ Long history of Bluesky development
  - ▶ Established expertise in multi-leg heavy oil horizontal oil drilling
- ▶ Extremely economic play and source of future growth
  - ▶ Bluesky production currently from ~34 of ~500 sections
  - ▶ Top Alberta cumulative 12-month production in a well in 2022
- ▶ Significant opportunities for additional development
  - ▶ Infrastructure in place to allow for future growth
  - ▶ 2 wells (2.0 net) for exploration/appraisal in Walrus to further delineate area and new land



200 m  
450 m  
660 m

● Denotes zones prospective and/or oil-bearing.

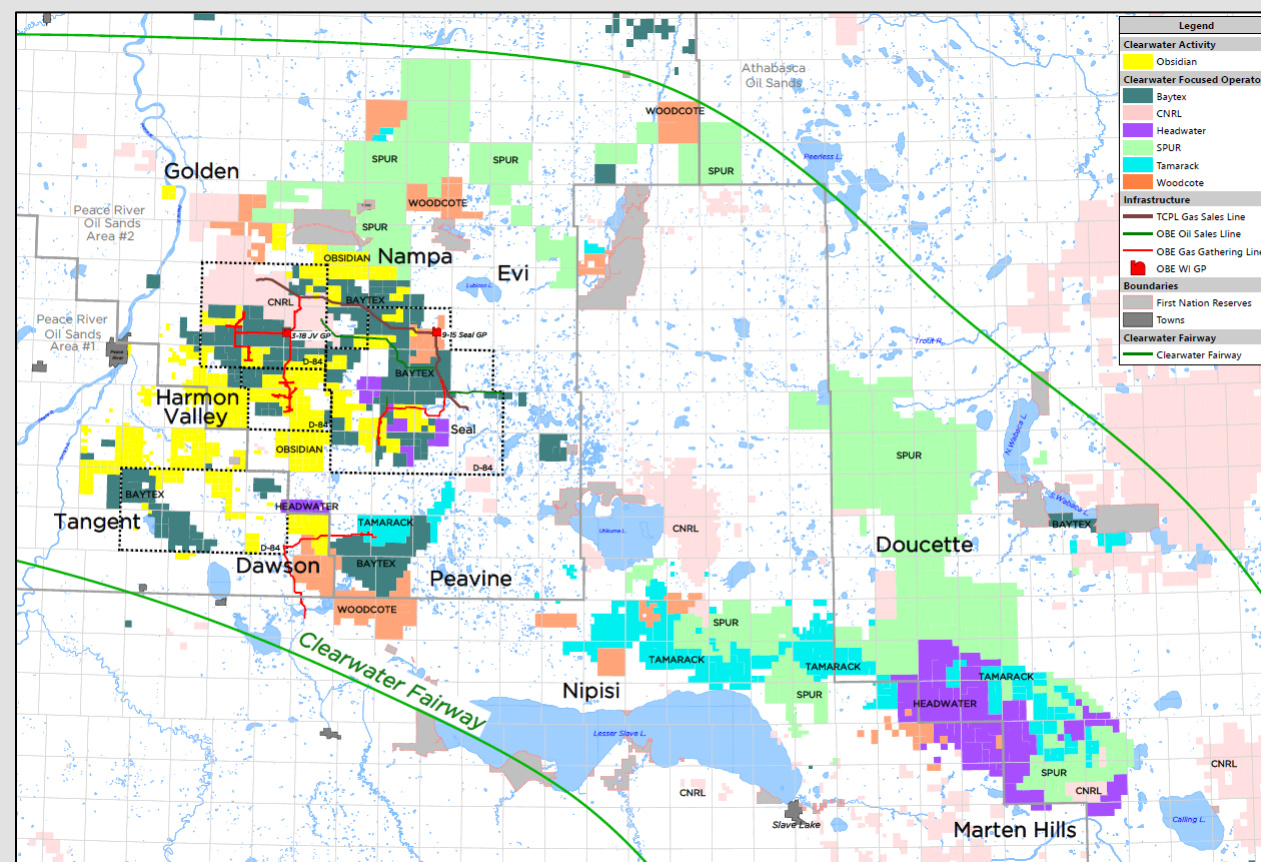




# PEACE RIVER CLEARWATER POTENTIAL

Industry activity continues over emerging Clearwater formation play

- ▶ ~500 sections with Bluesky and Clearwater heavy oil rights
- ▶ Leverage Bluesky operational experience
  - ▶ Clearwater formation just above Bluesky at ~450 metres sub-surface
  - ▶ Ability to use Bluesky infrastructure to reduce well costs
  - ▶ Able to evaluate Clearwater potential while drilling Bluesky wells
- ▶ Substantial opportunity for future development with significant recent well results
- ▶ Evaluating results of recently drilled Clearwater wells
- ▶ 2022 infrastructure purchase secured gas processing capacity
- ▶ 2023 exploration/appraisal program:
  - ▶ 4 wells (4.0 net)
  - ▶ Encouraged by the reservoir and fluid quality results from wells drilled to date
    - ▶ Dawson 12-33 Pad well: drilling results indicated superior reservoir quality in the final three of eight legs (~one mile each in length)
    - ▶ Supportive of continued exploration/appraisal as part of our 2023 plans
  - ▶ Will continue to appraise and evaluate our future development opportunities in 2023 as part of our broader aspirations for asset

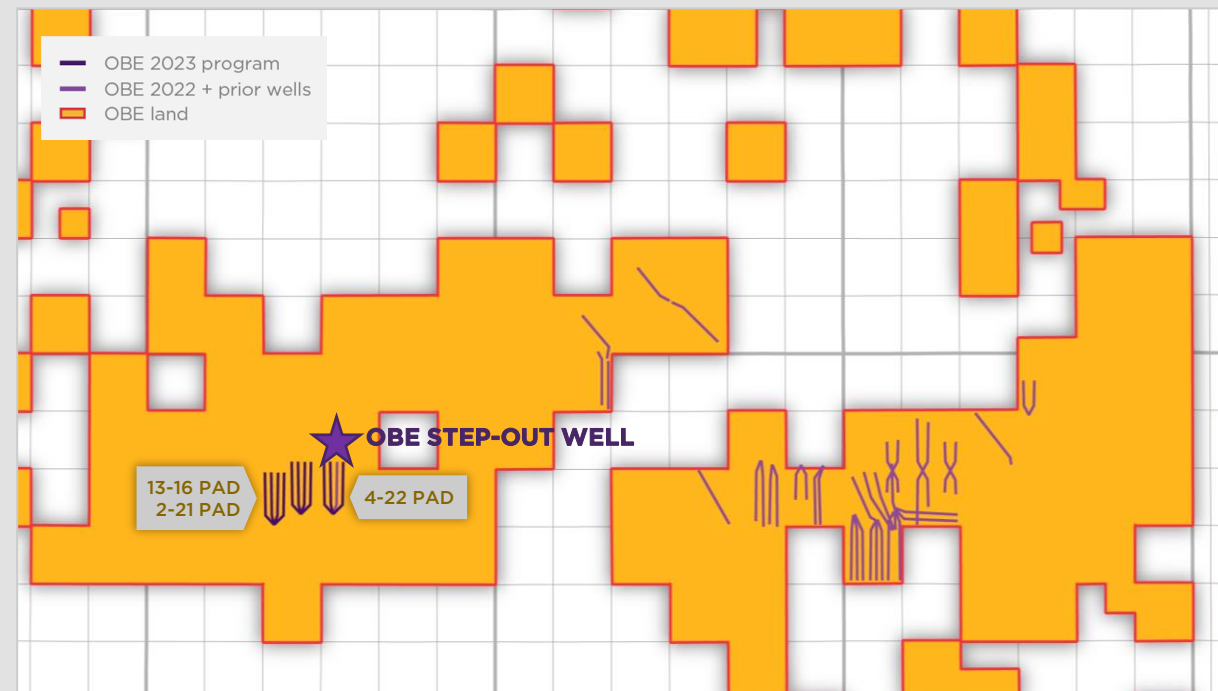


# VIKING – SIGNIFICANT DEVELOPMENT UPSIDE

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 de-risked step-out development
  - ▶ Superior netbacks due to lower well costs, combined with owned and controlled infrastructure and direct market access
  - ▶ Shallow, low geological risk resource play
  - ▶ Close to multiple, successful offset producers
- ▶ Successful return to area in 2022:
  - ▶ Program wells exceeded ~1,000 boe/d of peak production in 2022
  - ▶ Material oil discovery: first step-out well on Pad 4-22 had exceptional results and effectively delineates western acreage
- ▶ 2023 program: 11 wells (11.0 net)
  - ▶ All wells in program rig released by end of February and expected to be on production in March and April
  - ▶ Ability to increase future reserves following western exploration success and follow-up development

## Q4 2022 Viking production 1,454 boe/d



\* See appendix for area economics

# OPTIMIZATION PROGRAM RESULTS IN STRONG RETURNS

Modest capital spend results in improved existing well performance, maintaining production across our asset portfolio

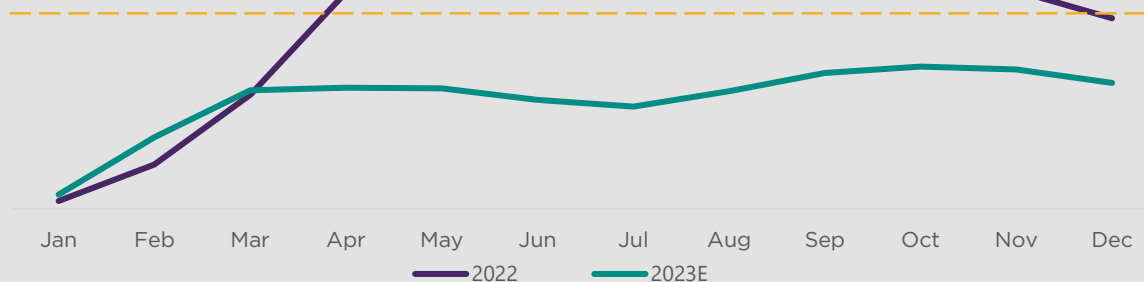
- ▶ Low-cost, high value growth opportunities with minimal capital expenditures
- ▶ Significant potential with >2,000 active wells that may benefit from ongoing and new technologies
- ▶ Multi-year opportunities of low-cost projects to increase base production, minimize decline, reduce operating costs and maximize reserve recovery
  - ▶ Optimization program assists in de-risking future development opportunities
- ▶ Spend focused on wellbore reactivations and recompletions (2023E: \$8.0 million; 2022: \$13.5 million)

## 2022 & 2023E TOTAL OPTIMIZATION PROGRAM PRODUCTION

(boe/d)

**~865 boe/d (61% oil)**

2022 optimization production annual average



See endnotes for additional information



# SUSTAINABILITY HIGHLIGHTS OVER THE PAST FIVE YEARS

Striving to make a difference to the environment, the community and for all stakeholders; published [inaugural ESG report](#)

## Environment



## Social



## Governance



**40% REDUCTION IN GHG EMISSIONS**

(2018 – 2021)



**>10,500 WORKER SAFETY INITIATIVES**

(2021)



**86% INDEPENDENT BOARD MEMBERS**

(5.3 year average tenure)



**40% REDUCTION IN INJECTED FRESH WATER USE**

(2019 – 2021)



**26% FEMALE EMPLOYEES**

(40% of all office staff)



**6.8% INSIDER OWNERSHIP**

(Directors & Executive, common shares)



**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

# INDUSTRY LEADER IN ASSET RETIREMENT MANAGEMENT

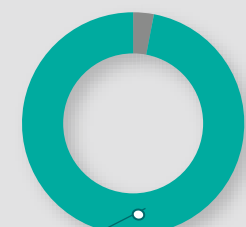
Our commitment to stakeholders includes responsible asset retirement as part of the full cycle of development

## 2019 - 2022:

<b>989</b>	Wells abandoned
<b>2,735 km</b>	Pipelines discontinued and abandoned
<b>64</b>	Facilities abandoned
<b>288</b>	Reclamation certificates received
<b>\$90 million</b>	Reduction in decommissioning liability

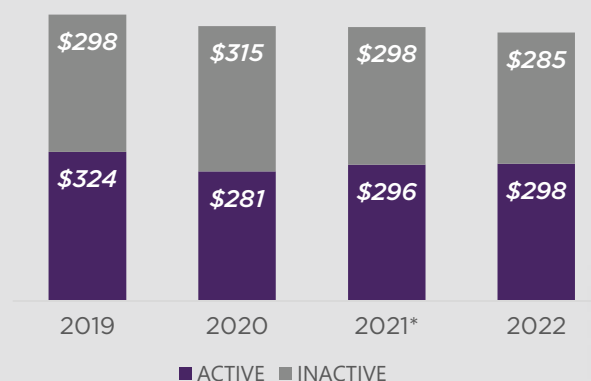
## INACTIVE LEGACY WELLBORE REDUCTION

(YE2019 TO YE2022E)



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 ~\$31 million (gross) of ASRP grants and allocations used during program
- ▶ Our asset reclamation and rehabilitation efforts support vendors and creates partnerships with First Nations groups to further improve our community stewardship

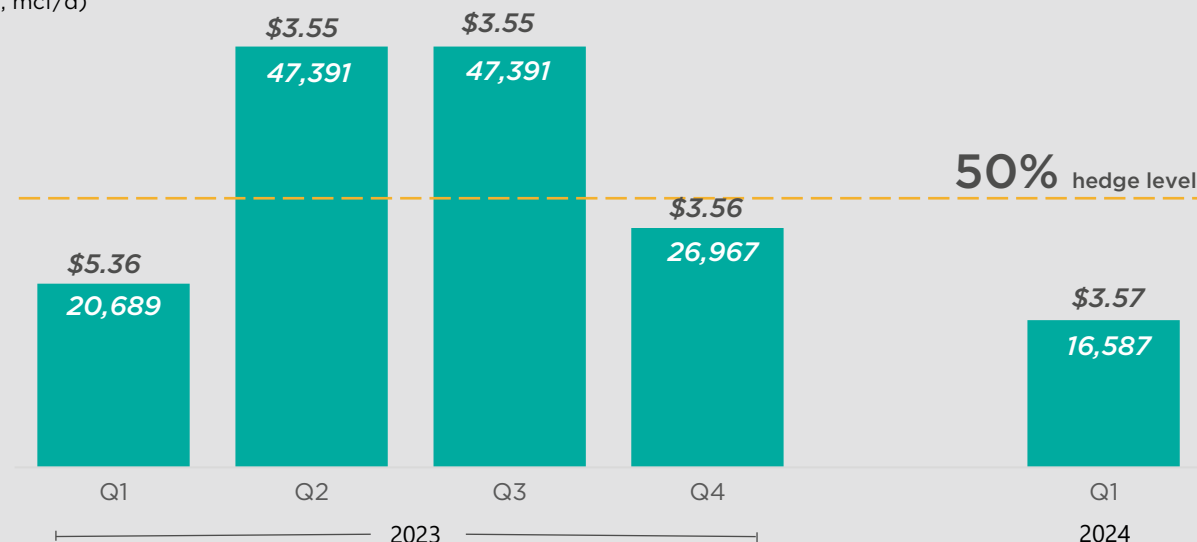
See endnotes for additional information

# HEDGING PRODUCTION TO PRESERVE CASH FLOW

Continuing to build on our hedge position at constructive levels

## HEDGED AECO GAS (2023 - 2024)

(\$, mcf/d)



## POLICY

- ▶ Hedge up to 50% of net production on a rolling fifteen-month basis to protect cash flows for capital investment, debt repayment, return of capital and positive netbacks
  - ▶ Oil: Up to 50% of net production (up to 80% in near three months)
  - ▶ Gas: Up to 80% of net production for summer 2023 (April – October); 70% for winter 2023/24 (November 2023 – March 2024)

See endnotes for additional information



# RESERVES UNDERPIN OUR CURRENT AND FUTURE VALUE

Obsidian Energy trading at substantial discount on booked reserves basis

- ▶ 311 net 2P locations:
  - ▶ 236 net Cardium locations, 22 net Bluesky locations, 2 net Clearwater locations, 49 net Viking locations, 1 net Devonian location and 1 net Mannville location

## YEAR-END 2022 RESERVES SUMMARY

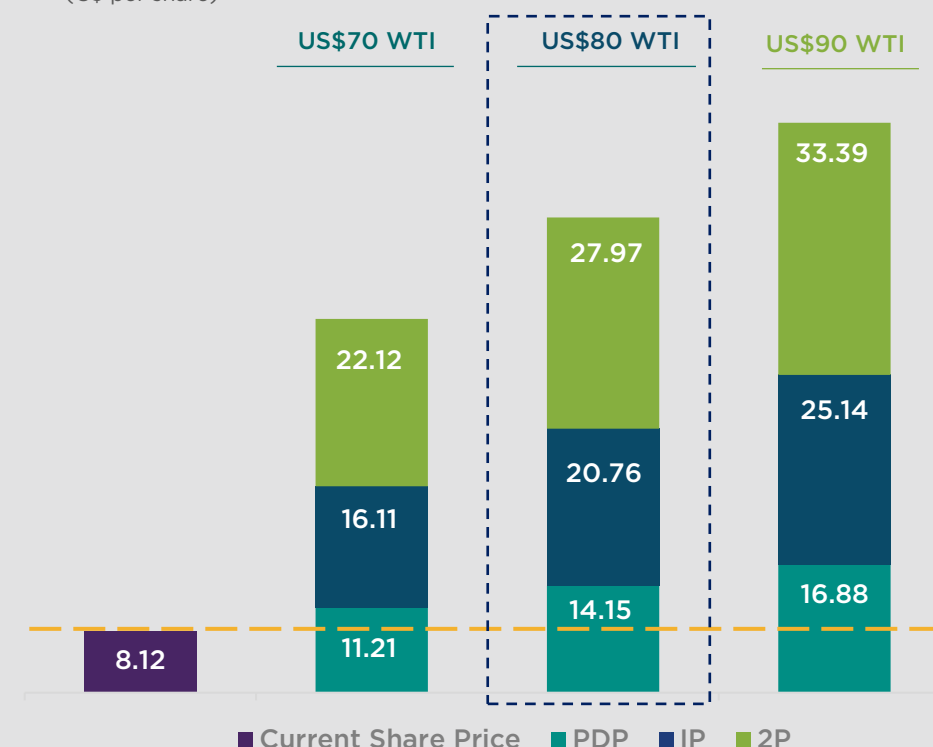
	Proved developed producing (PDP)	Total proved (1P)	Total proved plus probable (2P)
Light and medium crude oil	31 MMbbl	57 MMbbl	80 MMbbl
Heavy crude oil and bitumen	9 MMbbl	10 MMbbl	16 MMbbl
Natural gas liquids	7 MMbbl	12 MMbbl	17 MMbbl
Conventional natural gas	175 Bcf	285 Bcf	409 Bcf
<b>Total reserves</b>	<b>76 MMboe</b>	<b>127 MMboe</b>	<b>181 MMboe</b>
NPV10% (US\$70 WTI)	\$1,287 million	\$1,704 million	\$2,215 million
NPV10% (US\$80 WTI)	\$1,537 million	\$2,099 million	\$2,712 million
NPV10% (US\$90 WTI)	\$1,769 million	\$2,471 million	\$3,173 million

Note: Flat price decks assume FX of 1.35x CAD/USD, US\$22/bbl WCS differential, US\$4/bbl Ed Par differential and C\$3.00/GJ AEEO.

See endnotes for additional information

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

(C\$ per share)



(1) Based on YE 2022 reserves run at flat pricing. Assumes \$317 million Net Debt based on December 31, 2022 balance sheet and inclusive of remaining discounted onerous lease obligations. Assumes shares outstanding as at December 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 maintain strong FCF generation
- ▶ Compelling ~500 section Peace River area with established Bluesky production, owned infrastructure and significant Clearwater potential for future growth
- ▶ Low decline production profile and strong FCF generation allows for focus on debt reduction to achieve debt target of ~\$225 million
- ▶ NCIB, approved by TSX, which will be subject to maintaining \$65 million of liquidity and complying with current debt agreements
- ▶ 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 10 years at US\$80/bbl WTI
- ▶ Strategy focused on maintaining operational excellence, improving our debt leverage, returning capital to shareholders and delivering top quartile total shareholder returns
- ▶ Dedicated to making a positive difference to the environment, stakeholders and communities where we live and work

*See endnotes for additional information*



# Appendix

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# 2023 GUIDANCE

Balancing production growth, exploration/appraisal, debt reduction from FCF generation and returning capital to shareholders

## 2023E

Average production	32,000 – 33,500 boe/d
Capital expenditures	\$260 – \$270 million
Decommissioning expenditures	\$26 – \$28 million
Net operating expenses	\$13.50 – \$14.40/boe
General & administrative	\$1.60 – \$1.70/boe
<i>Based on midpoint of above guidance</i>	
WTI	US\$80.00/bbl
AECO	\$3.00/GJ
FFO	~\$395 million
FCF (prior to NCIB)	~\$105 million
Net Debt (prior to NCIB)	~\$215 million
Net Debt (prior to NCIB) to FFO	0.5x

Variable	Range	Change in 2023 FFO
WTI (US\$/bbl)	+/- \$1.00/bbl	\$8.6 million
MSW light oil differential (US\$/bbl)	+/- \$1.00/bbl	\$5.5 million
WCS heavy oil differential (US\$/bbl)	+/- \$1.00/bbl	\$3.1 million
Change in AECO (\$/GJ)	+/- \$0.25/GJ	\$3.2 million

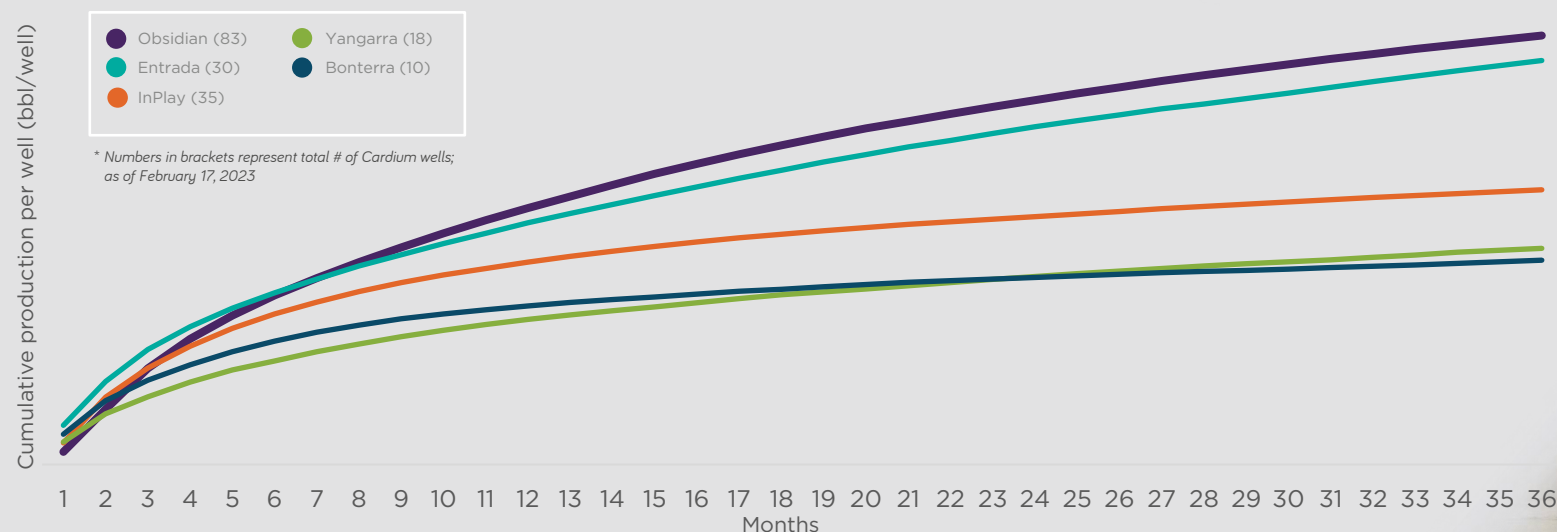
See endnotes for additional information



# TOP CARDIUM DRILLER AND OPERATOR

Our development program produces leading Cardium well performance compared to peers

## LEADING CARDIUM WELL PERFORMANCE: WILLESDEN GREEN FIELD



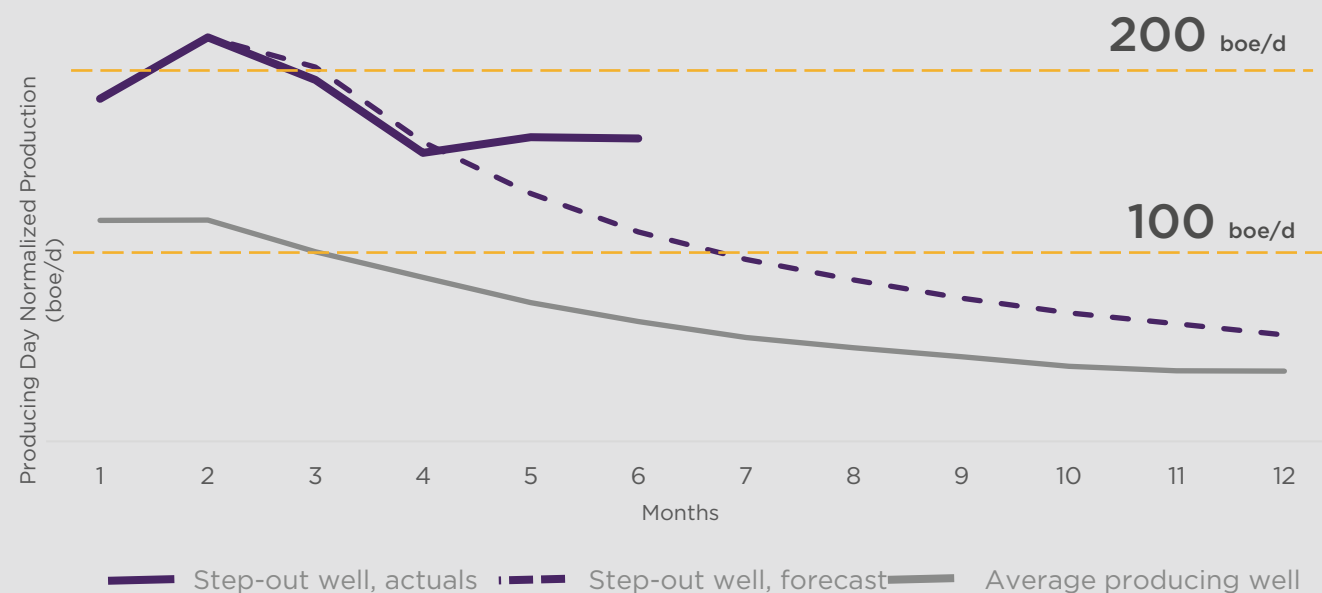
- ▶ Substantial identified Cardium drilling locations with only 236 net booked YE 2022  
2P Cardium locations
  - ▶ Significant future upside to 2P reserve values
- ▶ Obsidian Energy pacesetter Cardium wells drilled in 2021 and 2022
- ▶ Well design focused on optimization of cost and economic recovery of reserves

See endnotes for additional information

# VIKING – STEP-OUT WELL PROVIDES FUTURE POTENTIAL

2022 step-out well effectively delineates area

## STEP-OUT WELL VERSUS AVERAGE AREA PRODUCING WELL



- ▶ 2022 Viking wells performed within expectations
  - ▶ 8-well program exceeded ~1,000 boe/d in October
- ▶ High economic return wells
- ▶ Pad 4-22 step-out well showed exceptional rates without significant decline
  - ▶ Helps delineate the west side of the play
  - ▶ Provides additional development and reserves

# WELL ECONOMICS

Strong returns across areas despite pressure in the current commodity price environment

Half Cycle Type Curve Economics <sup>1</sup>	Willesden Green	Pembina	Viking	Peace River
Formation	Cardium	Cardium	W. Viking (Esther)	Bluesky (Seal)
Well Length	2.0 mile	1.75 mile	1.25 mile	10 leg
DCET Capex	\$4.4 million	\$3.6 million	\$2.0 million	\$2.7 million
EUR	281 Mboe	280 Mboe	75 Mboe	192 Mboe
Total IP365	213 boe/d	207 boe/d	96 boe/d	185 boe/d
NPV Btax 10%	\$4.9 million	\$5.1 million	\$1.1 million	\$2.5 million
IRR	103%	147%	68%	85%
Payout	1.0 years	0.8 years	1.1 years	1.2 years
Technical F&D	\$15.82/boe	\$12.88/boe	\$26.49/boe	\$14.05/boe
Capital efficiency (12-month)	\$20,900 boe/d	\$17,400 boe/d	\$20,600 boe/d	\$14,600 boe/d

<sup>1</sup> Type curves are derived using two years (or remaining economic inventory) of type well and input parameters provided by our Independent, Qualified Reserve Evaluator

- US\$80/bbl WTI and \$3.00/GJ AECO, \$4.00/bbl MSW differential, \$22.00/bbl WCS differential, FX of 1.35x CAD/USD

# 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, with strong focus on 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

► ~270 employees

► Management team:

**Stephen E. Loukas** *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*



# 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 February 21, 2023. Common shares outstanding was determined at close of business December 31, 2022. Net Debt and Tax pools are based on December 31, 2022, financials.

Reserves (2P), RLI, is based on 2P, reserve numbers as disclosed in our news release dated January 30, 2023, titled "[Obsidian Energy Announces 2023 Guidance and Significant 2022 Reserves Value Increase with Year-End Reserves Report](#)" (the "Release").

Q4 2022 Asset Production is broken down as follows:

Cardium: Light Oil – 11,242 bbl/d, Heavy Oil – 22 bbl/d, NGL – 2,424 bbl/d, Gas – 56 mmcf/d

Peace River: Heavy Oil – 5,810 bbl/d, NGL – 6 bbl/d, Gas – 6 mmcf/d

Viking: Light Oil – 760 bbl/d, Heavy Oil – 98 bbl/d, NGL – 55 bbl/d, Gas – 3 mmcf/d

Legacy: Light Oil – 103 bbl/d, Heavy Oil – 53 bbl/d, NGL – 35 bbl/d, Gas – 2 mmcf/d

## Slide 7: Delivering Results – 2022

2022E Guidance: Updated on November 8, 2022, with pricing assumptions for November and December 2022 (WTI at US\$90.00/bbl and AECO at \$5.80/GJ) and includes risk management (hedging) adjustments as of November 4, 2022. Guidance FFO and FCF included approximately \$46 million of estimated charges for 2022 related to the deferred share units, performance share units and non-treasury incentive plan awards share-based compensation amounts which were 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. Adjusted FFO excludes the estimated non-cash share-based compensation amounts for 2022.

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

Mid-point of 2022E production range: 11,715 bbl/d light oil, 6,065 bbl/d heavy oil, 2,475 bbl/d NGLs and 64.5 mmcf/d natural gas. Average production volumes did not include any forecasted production associated with Clearwater exploratory capital expenditures.

Source of graph data: Obsidian Energy, company public filings. See 'Non-GAAP Measures Advisory' for further details

## Slide 8: 2022 Reserve Highlights

Reserves evaluation excludes inactive ARO. Our YE2022 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 2022 Reserves Report as part of future net revenue calculations. The price assumptions in our YE2022 reserves evaluation were based on an average of four independent reserve evaluators' forecasts (GLJ Ltd., Sproule Associates Ltd., McDaniel & Associates Consultants and Deloitte Resource Evaluation & Advisory).

See 'Non-GAAP Measures Advisory' for further details. Additional reserve information is available in Appendix A-3 of our Annual Information Form for the year ended December 31, 2022, available at [www.obsidianenergy.com](http://www.obsidianenergy.com).

## Slide 11: Our Two-Year Corporate Plan

2023E production guidance calculated on January 30, 2023. Mid-point of guidance range: 12,330 bbl/d light oil, 6,885 bbl/d heavy oil, 2,565 bbl/d NGLs and 65.8 mmcf/d natural gas. Average production volumes include a minimal amount of forecasted production associated with exploration/appraisal well capital expenditures.

Capital expenditures include approximately \$25 million for exploration/appraisal activity, which is expected to have a minimal impact on production volumes.

Pricing assumptions outlined are forecasted for the full year of 2023 and includes risk management (hedging) adjustments as of January 27, 2023. Guidance FFO and FCF includes approximately \$6 million of estimated charges for full year 2023 related to the deferred share units, performance share units and non-treasury incentive plan cash compensation amounts which are based on a share price of \$9.00 per share.

Net Debt figures estimated as at December 31, 2023, prior to the impact of any share purchased under the NCIB. See the [Release](#) for future detail.

# ENDNOTES (CONT.)

## Slide 12: 2023 Development Program

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

## Slide 13: Leading Cardium Play Areas

Individual play fairways are Obsidian Energy defined trends displaying similar reservoir and geological characteristics. Booked locations reflects locations as defined by our Independent, Qualified Reserves Evaluator in their 2022 Reserves Report. Net locations may not add up due to rounding.

## Slide 16: Peace River – Growth Asset

Drilling opportunities include both booked locations per NI 51-101 standards and our internal, un-risked 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 20: Optimization Program Results in Strong Returns

Production and capital costs are both based on internal estimates and excludes non-operated development wells.

## Slide 21: Sustainability Highlights Over the Past Five Years

GHG emission reduction is measured in tCO<sub>2</sub>e/year as a total of all emission including flared, fugitive, combustion and vented.

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

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.

## Slide 21: Sustainability Highlights Over the Past Five Years, cont.

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.

Insider ownership for Stephen Loukas includes shares owned by FrontFour Capital Corp. and its associated funds.

## Slide 22: Industry Leader in Asset Retirement Management

2019 – 2022 ARO stats are for the period from January 1, 2019 to December 31, 2022, inclusively. Pipelines discontinued and abandoned for 2019 include abandoned and/or discontinued pipelines.

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 2022) are internal estimates and are not to be construed a guidance and subject to change.

## Slide 23: Hedging Production to Preserve Cash Flow

Current Hedge Position and the weighted average price, or the “Exercise Price” is current as of February 22, 2023. All financial hedges have been executed in Canadian dollars.

In accordance with policies approved by our Board of Directors, the Company may, from time to time, manage commodity price risks through the use of swaps or other financial instruments up to a maximum of 50 percent of forecast sales volumes, net of royalties, for the balance of any current year plus one additional year forward and up to a maximum of 25 percent, net of royalties, for one additional year thereafter. In the prompt three months, the Company can hedge up to a maximum of 80% of production, net of royalties. The Board of Directors has recently approved the following changes to our hedging policy:

- Hedge up to 50 percent of oil volumes and 50% of gas volumes, net of royalties, on a rolling 15-month period commencing January 1, 2023;
- Allow for hedges up to 80 percent of natural gas volumes, net of royalties for the “summer gas months”, being the months of April to and including October 2023; and
- Allow for hedges of up to 70 percent of natural gas volumes, net of royalties for the “winter gas months”, being the months of November 2023 to and including March 2024, commencing immediately.





# ENDNOTES (CONT.)

## Slide 24: Reserves Underpin our Current and Future Value

Reserves evaluation excludes inactive ARO. Our YE2022 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 2022 Reserves Report as part of future net revenue calculations. The price assumptions in our YE2022 reserves evaluation were based on an average of four independent reserve evaluators' forecasts (GLJ Ltd., Sproule Associates Ltd., McDaniel & Associates Consultants and Deloitte Resource Evaluation & Advisory).

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.

NAV/share calculated with total number of basic common shares outstanding as of January 31, 2023. Additional reserve information is available in Appendix A-3 of our Annual Information Form for the year ended December 31, 2022, at [www.obsidianenergy.com](http://www.obsidianenergy.com). EV based on December 31, 2022 balance sheet. Source: Obsidian Energy, company public disclosure, FactSet

## Slide 25: Why Invest in Obsidian Energy

Forecast long-term debt level target based on mid-point of 2023E prices and production.

## Slide 27: 2023 Guidance

2023E production guidance calculated on January 30, 2023. Mid-point of guidance range: 12,330 bbl/d light oil, 6,885 bbl/d heavy oil, 2,565 bbl/d NGLs and 65.8 mmcf/d natural gas. Average production volumes include a minimal amount of forecasted production associated with exploration/appraisal well capital expenditures.

Capital expenditures include approximately \$25 million for exploration/appraisal activity, which is expected to have a minimal impact on production volumes.

## Slide 27: 2023 Guidance, cont.

Pricing assumptions outlined are forecasted for the full year of 2023 and includes risk management (hedging) adjustments as of January 27, 2023. Guidance FFO and FCF includes approximately \$6 million of estimated charges for full year 2023 related to the deferred share units, performance share units and non-treasury incentive plan cash compensation amounts which are based on a share price of \$9.00 per share.

Net Debt figures estimated as at December 31, 2023, prior to the impact of any share purchased under the NCIB.

See the [Release](#) for future detail.

## Slide 28: 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 2019 to 2023, 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 2022 Reserves Report.

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



# DEFINITIONS AND INDUSTRY TERMS

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

**2023E** means the expected 2023 results, 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

**BCF** means billion cubic feet of natural gas

**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

**CDE** means Canadian development expense

**CEE** means Canadian exploration expenses

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

**COGE Handbook** stands for the Canadian Oil and Gas Evaluation

**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 Evaluator** refers to GLJ Ltd.

**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 Viking

**Liquids** means crude oil and NGLs

**m** means metres

**MMbbl** means million barrels of oil

**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

**Reserves** references are based on the report prepared by GLJ Ltd. dated January 20, 2023, (the “**2022 Reserves Report**”) attributable to the Company’s reserves effective as at December 31, 2022. 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 audited consolidated financial statements and notes and management's discussion and analysis ("MD&A") as at and for the year ended December 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: cash flow, 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 and free cash flow yield, which uses free cash flow 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.

**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 equivalents.

**Free Cash Flow (FCF)** is FFO less capital and decommissioning expenditures.

**Free Cash Flow Yield** is calculated by taking FCF divided by the Company's market capitalization. Free cash flow yield is a metric of operating performance and acts as an indicator of a Company's ability to satisfy its debt and obligations, and potential cash returns to shareholders.

**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.

**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.

## 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.

Reconciliations to actuals of these non-GAAP measures to IFRS are provided in our corresponding MD&As.



# 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 2022 Reserves 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 280 gross booked proved locations and 373 gross booked probable locations as set forth in the 2022 Reserve. Report at December 31, 2022.

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.

# 2022 RESERVES DISCLOSURE AND DEFINITIONS

Unless otherwise noted, any reference to 2022 reserves in this presentation are based on the report (the “**2022 Reserves Report**”) prepared by GLJ Ltd. dated January 20, 2023, 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, 2022. For further information regarding the 2022 Reserves 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.

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, plus the change in estimated future development capital for the reserves category, all divided by the change in reserves during the period for the reserve category. F&D costs exclude the impact of acquisitions and divestitures.

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

**RLI or Reserve Life Index** is calculated as total Company gross reserves divided by GLJ's forecasted 2023 production for the associated reserve category.

For additional reserve definitions, see the [Release](#).



# 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: that there is upside emerging from the Clearwater oil play; that we are committed to strong ESG practices, including minimizing environmental impact; our expectations for FCF in 2023; how we plan to execute our superior shareholder return; our focuses for 2023 both operationally and financially; our full year 2023 guidance, based on certain assumptions, for production, production growth, FFO, FCF (prior to NCIB), capital and decommissioning expenditures, net operating expenses and general & administrative costs, year-end net debt (prior to NCIB) and year-end net debt (prior to NCIB) to FFO; our reserve life index and decline rates; our expected drilling opportunities and development program; our ability to scale our development program in response to commodity prices and corporate strategy; our expectation for our optimization program; our expectations for cost management; our goals and commitments in connection with our ESG practices, including asset retirement management; our hedges program and policies; the reasons to invest in Obsidian Energy; the potential value to be derived from our tax pools; our forecast for certain well production; our delineation expectations; that there is additional upside via our diverse asset base; that our existing flexible infrastructure allows ability to maximize production and growth with minimal infrastructure spend in certain locations; and that we will continue to appraise and evaluate our future development opportunities in 2023 as part of our broader aspirations for the Clearwater.

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 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: Obsidian Energy's views with respect to its financial condition and prospects, the stability of general economic and market conditions, currency exchange rates and interest rates, the availability of cash or other financing sources to fund repurchases of common shares under the NCIB and our ability to comply with applicable terms and conditions under the Company's debt agreements, the existence of alternative uses for Obsidian Energy's cash resources and compliance with applicable laws and regulations (including Canadian and U.S. securities laws and Canadian corporate law) pertaining to the NCIB; 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 "2023 Guidance") 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 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 extreme cold, 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; 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 (if necessary) to replace our syndicated bank facility and our ability (if necessary) to finance the repayment of our senior unsecured notes 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: our inability to repurchase common shares under the NCIB in the amounts permitted or at all due to a lack of financial resources, the inability to comply with our debt agreements, legal restrictions on share repurchases, competing demands for our financial resources, or other factors; the anticipated benefits of repurchasing our shares under the NCIB do not materialize; Obsidian Energy's future capital requirements; general economic and market conditions; demand for Obsidian Energy's products; and unforeseen legal or regulatory developments and other risk factors detailed from time to time in Obsidian Energy reports filed with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission; the possibility that we change our 2023 budget 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 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 unsecured notes 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 and senior unsecured 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 unsecured 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 February 22, 2023. 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.

