



Additional Details on Proposed Long- Term Incentive (LTI) Plan Amendments

April 2026



Summary



- Obsidian Energy's Restricted and Performance Share Unit Plan ("RPSU Plan") and Stock Option Plan ("Option Plan", and collectively with RPSU Plan, the "LTI Plans") are presented for shareholder approval at Obsidian Energy's annual general meeting ("AGM") on May 7, 2026
- The RPSU Plan and Stock Option Plan are both rolling plans and therefore require shareholder approval every three years pursuant to the rules of the TSX in order to be eligible for continued use
- The Human Resources, Governance & Compensation Committee ("HRG&C") of Obsidian Energy, in consultation with our compensation advisor Laulima Consulting Ltd. ("Laulima Consulting"), is responsible for recommending amendments to the LTI Plans to the Board of Directors ("BoD")
- The BoD unanimously approved the amendments to the LTI Plans and the amended LTI Plans are provided in the Circular
- The proposed amendments are subject to final approval by the shareholders of Obsidian Energy at the AGM
- In addition, the BoD has approved certain adjustments to outstanding performance share unit awards ("PSU"), which will be explained hereto

The foregoing description of the plans and amendments to the plans are qualified in its entirety by the 2026 Management Information Circular and Proxy Statements (Circular) and the full text of the plans attached therein. Please see our website, SEDAR+ or EDGAR for a copy

LTI Plan Amendments



- Obsidian Energy's LTI Plans are up for shareholder approval at the 2026 AGM on May 7, 2026
- In addition to the routine resolutions of approving the issuance (or reserved for issuance) of unallocated units under the LTI Plans, Obsidian Energy is proposing the following amendments to the LTI Plans:
 - RPSU Plan: no amendments proposed
 - Option Plan:
 - Increase the maximum number of Obsidian Energy Shares issuable (or reserved for issuance) on exercise of outstanding Options from 9% to 10% of the aggregate number of issued and outstanding Shares (less the number of Shares issuable (or reserved for issuance) pursuant to all other security-based compensation arrangements of Obsidian Energy)
 - Remove the requirement which provides that the average annual grant rate during any three consecutive calendar years shall not exceed 2.0%
- Such amendments are required in part due to since initiating its Normal Course Issuer Bid ("NCIB") on February 27, 2023, Obsidian Energy has reduced the number of its outstanding common shares from ~82.4M as of December 31, 2022, to ~66.6M as of March 31, 2026, or ~19%
- This significant reduction in the number of common shares outstanding via the NCIB activity results in an increased burn rate, holding all other variables constant
- In addition, the decision by Obsidian Energy's BoD to suspend the usage of PSUs in favour of a greater usage of Options at a 3.5:1 ratio of Options to restricted share units ("RSU"), as further described in following pages, results in the need of increased usage of the Option Plan

Option Plan amendment to increase available usage from 9% to 10% of Obsidian Energy common shares outstanding required due to significant reduction in shares outstanding due to NCIB, and due to increased usage of Options in lieu of PSUs

2023 PSU Payout Adjustments



- 239,360 PSUs vested on December 31, 2025
 - Share price at time of grant in March 2023 was \$9.81
 - Original performance metric was based on Obsidian Energy's total shareholder return relative to a defined group of peers ("RTSR")
- Despite meeting financial and strategic objectives, Obsidian Energy's RTSR from January 1, 2023 – December 31, 2025, trailed the peer group
 - Multiple peers were acquired during the performance period
 - Stark bifurcation of performance between peers listed on the S&P / TSX Capped Energy Index versus those that are not (Obsidian Energy is not listed)
- BoD exercised its discretion to payout at 100% out of a possible 200% of target value
 - Resulted in realized value of 85% of grant value
 - Senior executives received 50% of payout in Obsidian Energy common shares

2024 and 2025 PSU Programs



- Obsidian Energy's BoD acknowledged that the PSU program was not functioning as intended for the purposes of retention and incentivizing employees
- Additionally, employees were over-weighted to RTSR metrics, as it is also a metric within Obsidian Energy's annual short-term incentive plan
 - Resulted in ineffective LTI program
 - Tension for human resource talent increased, specifically within the heavy oil segment as multiple employees received offers from industry competitors during H2 2025
- The BoD, in consultation with Laulima Consulting, responded by restructuring the existing 2024 and 2025 PSU programs
 - Amended performance metric from RTSR to Obsidian Energy's absolute total shareholder return
 - Amended payout range from 0%-200% to 50%-150%

Realignment of Go-Forward LTI Program



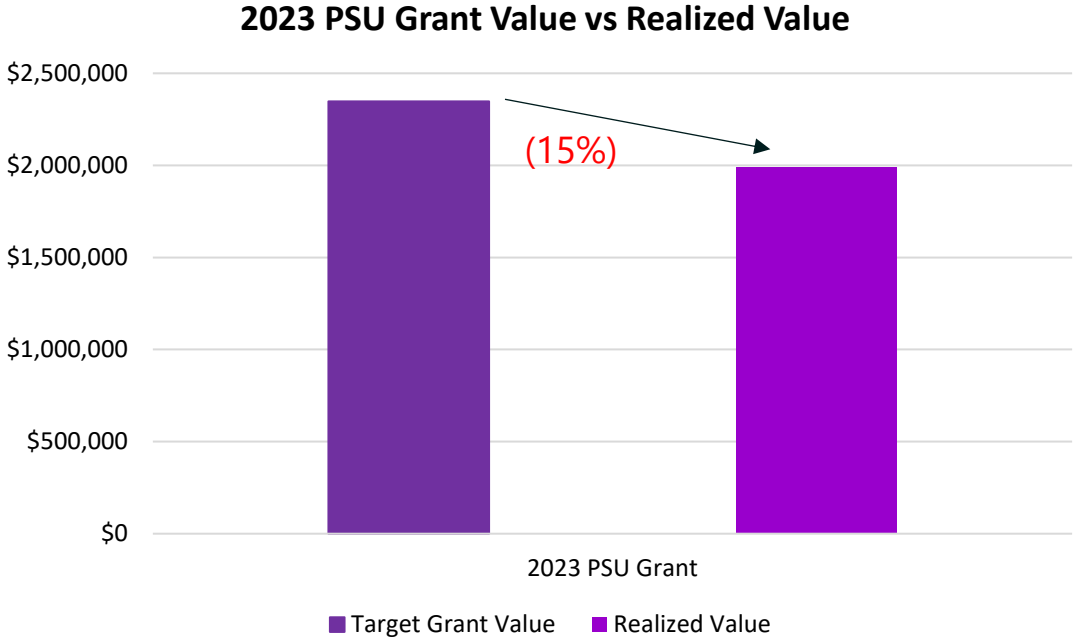
- Given the ineffectiveness of the PSU program, the BoD has decided to suspend it for 2026 and beyond
- Again, in consultation with Laulima Consulting, the LTI program has been revised to consist of a weighting of 50% of RSUs and 50% of stock options for executives, from a former weighting of 25% RSUs, 25% stock options, and 50% PSUs
 - Eliminates RTSR metric and fully anchors to absolute returns
 - Increased stock option weighting fully aligns with shareholders, as it increases the value-at-risk component
 - CEO to receive two-thirds of LTI award in stock options, and one-third in RSUs
 - Higher value-at-risk given the position

Go-Forward LTI program realigns to both increased retention and share price out performance



Appendix

2023 PSU Target vs Realized Value



Realized 2023 PSU value was 85% of target grant value due to difference in five-day VWAP Obsidian Energy share price at December 31, 2025, vs five-day grant price VWAP at March 3, 2023 (\$8.31 vs \$9.81)

2024 and 2025 PSU Payout Scenarios – Absolute TSR Structure

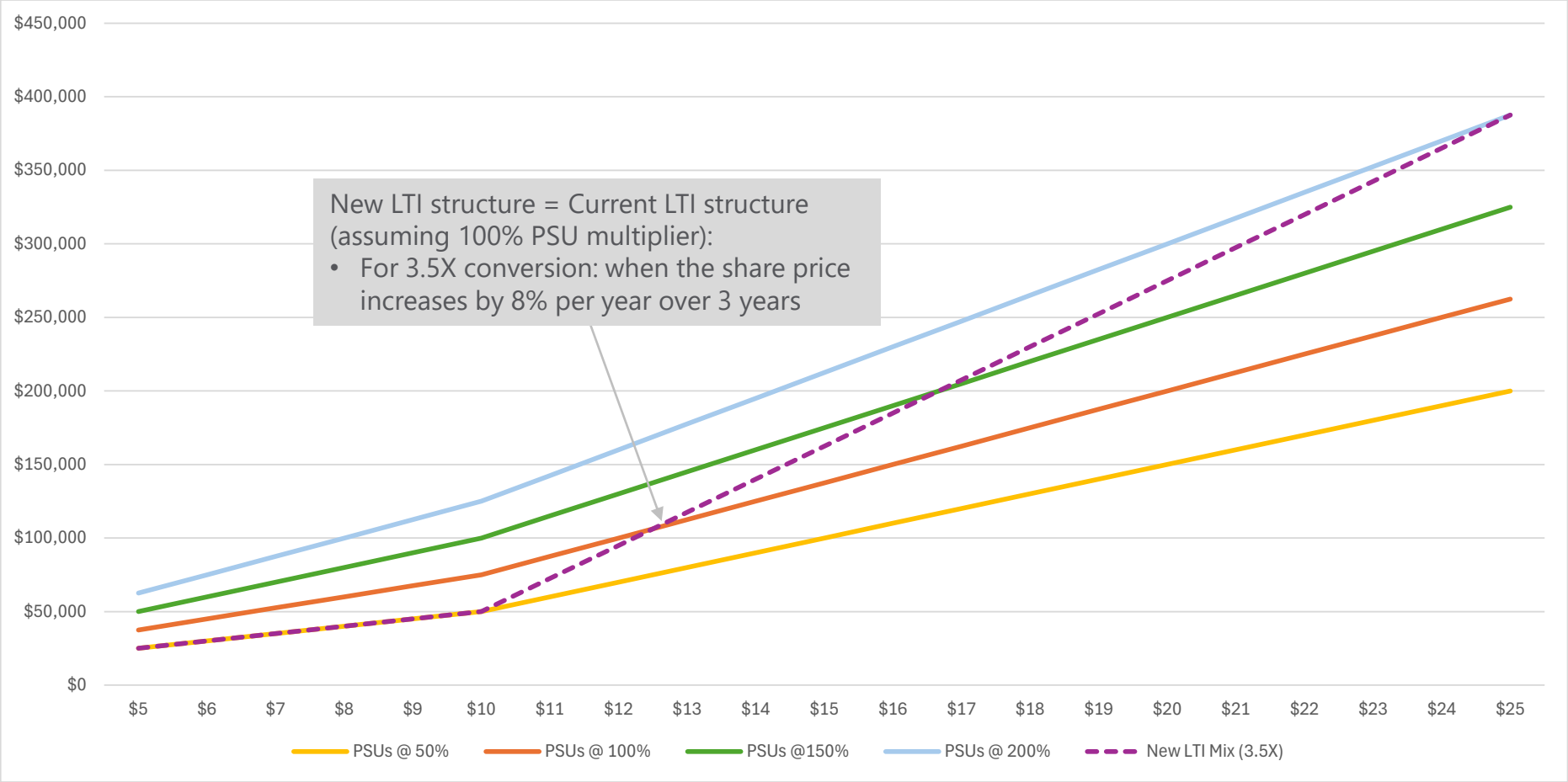


2024 and 2025 PSU Payout Scenarios - New Absolute TSR Structure								Current RTSR Structure @ 200% Payout	
Year	# of PSUs	Target Value	Starting Share Price	50% Payout (<0% TSR)	100% (10% TSR)	150% (20% TSR)	150% (50% TSR)	20% TSR	50% TSR
2024	268,360	\$2.59M	\$9.36	\$1.26M	\$2.76M	\$4.52M	\$5.65M	\$6.03M	\$7.54M
Year	# of PSUs	Target value	Starting Share Price	50% payout (<5% TSR)	100% (15% TSR)	150% (25% TSR)	150% (50% TSR)	25% TSR	50% TSR
2025	435,550	\$3.28M	\$7.86	\$1.80M	\$3.94M	\$6.42M	\$7.70M	\$8.56M	\$10.27M
Total	703,910	\$5.87M		\$3.06M	\$6.70M	\$10.94M	\$13.35M	\$14.59M	\$17.81M

Under new structure, 50% floor payout implemented while maximum payout reduced to 150% from 200%

LTI Structure Comparison

Executives – 3.5X Conversion of RSUs to Options



New LTI Structure Mix
50% RSUs / 50% Options

Current LTI Structure Mix
25% RSUs / 50% PSUs / 25% Options

3.5 Options for every RSU closely aligns to former PSU payout scenarios under various share price models, though meaningful share price appreciation required to exceed 150% payout scenario

Forward Looking Statements



Certain statements contained in this document constitute forward-looking statements or information (collectively "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "budget", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target" and similar words suggesting future events or future performance. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the following: the timing of our AGM and matters to be put forth to our shareholders; the suspension of future issuances under the PSUs program; and the possible payout of PSUs under the currently issued.

Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements 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 involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, 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. Important factors that could cause actual results and events to differ from those described in the forward-looking statements can be found in our public filings (including our Annual Information Form) available in Canada at www.sedarplus.com and in the United States at www.sec.gov. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of April 7, 2026. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.