Bonterra.

2023

SUSTAINABILITY REPORT

TSX: **BNE**

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We acknowledge that we operate on Treaty 6 lands, a part of the traditional territories of the many First Nations, Metis, and Inuit in Alberta. We honor the enduring connection of Indigenous peoples to this land and express our respect for their past and present stewardship.

ABOUT THIS REPORT

Bonterra's third Sustainability Report is intended to outline the Company's approach to sustainability, including how we prioritize strong governance, health and safety, an ongoing focus on responsible environmental stewardship, and our commitment to the well-being and improvement of the communities near our operations.

The report also has a specific section dedicated to the governance and management of climate-related risks and opportunities, which follows the guidance provided by the Task Force on Climate-related Financial Disclosures (TCFD) framework.

This report also provides key environmental, social and governance (ESG) performance metrics. These metrics align with the guidance provided by the Sustainability Accounting Standards Board (SASB), providing additional metrics the Company believes to be relevant to our business and stakeholders.

Those ESG material pillars and factors most applicable to Bonterra were outlined in the Company's inaugural Sustainability Report published in December of 2021, which have continued to be relevant through 2023.

MATERIAL ESG TOPICS

> At Bonterra, we believe transparency builds trust, and we remain committed to consistently expanding the scope of our reporting to sustain integrity and connect with all stakeholders. We continue to adhere to industry standards, best practices and all applicable regulations to ensure we are on the path to becoming a leader in sustainable energy exploration and production.

REPORTING SCOPE

The scope of this report includes all businesses and assets owned and operated by Bonterra. Unless otherwise noted, the report focuses on management activities, performance and metrics for the calendar years of 2021 to 2023. Bonterra's total Scope 1 greenhouse gas (GHG) emissions data is subject to a third-party audit verification process, related to fuel emissions that are covered under Alberta's Technology Innovation and Emissions Reduction (TIER) system. In future periods the third-party audit verification process will include both fuel and flaring emissions. All financial information or dollar amounts herein are expressed in Canadian dollars, unless otherwise indicated.

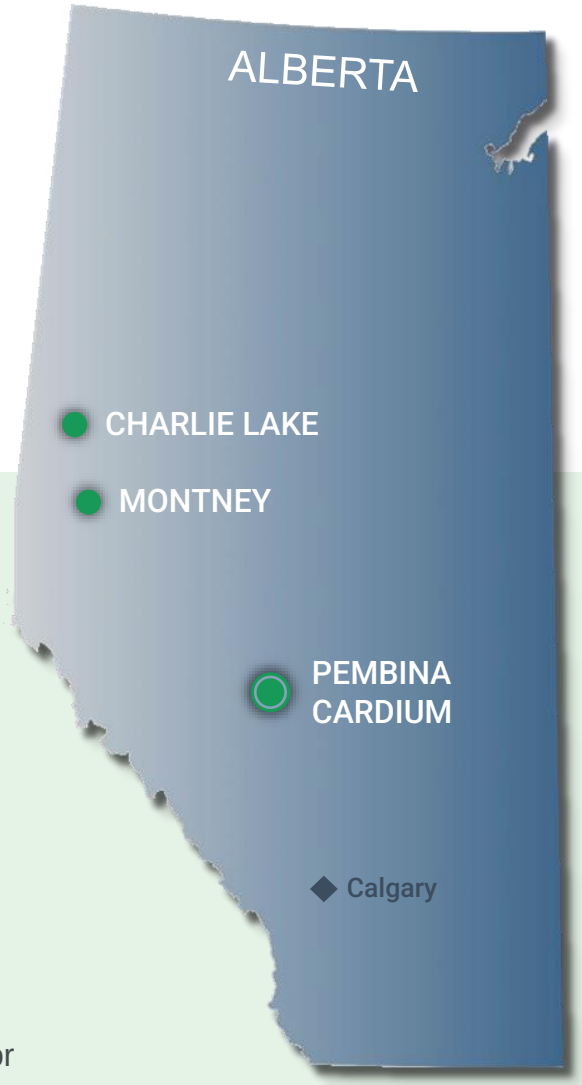
TRANSPARENCY AND CONTINUOUS IMPROVEMENT

This report is a reflection of Bonterra's commitment to transparency, as well as an expression of our focus on continuous improvement along the Company's sustainability journey. As Bonterra continues to engage with stakeholders, monitor sustainability trends and evolve our ESG practices and performance, we will continue to evolve reporting practices to meet the needs of investors and other interested parties. In the spirit of continuous improvement, feedback is always welcome: should you have comments or questions about the Company's ESG practices or reporting, please share those view via the Contact Form on Bonterra's website at: https://bonterraenergy.com/contact/.

ABOUT BONTERRA

Bonterra Energy Corp. ("Bonterra" or the "Company") is one of Canada's longest-standing exploration and production companies. We are a future-focused energy company offering investors exposure to a high-quality, oil-weighted asset base primarily targeting Alberta's Pembina Cardium play, with incremental development in the Charlie Lake and exploration opportunities being explored on Bonterra's Montney land base.

Bonterra's established track record has been built on assets that are concentrated in the Pembina and Willesden Green fields in the Cardium play, which are among Canada's largest conventional oilfields, offering long-term, lower-decline oil production with attractive netbacks. We have complemented our Cardium exposure and future drilling runway with Charlie Lake and Montney assets. Bonterra's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "BNE".



STRATEGY

Bonterra's strategy represents a grounded path forward for Canadian energy, placing an emphasis on corporate sustainability, growth, and resilience. Our primary focus is on facilitating responsible development through disciplined capital investment and efficient operational practices, while optimizing free funds flow to further reduce debt, position the Company for a return of capital to shareholders, and pursue complementary acquisitions.

By harnessing the strength of Bonterra's asset base and our exceptional team, we apply a disciplined approach to capital management to expand the Company's operating footprint, formulating new core areas to increase drilling inventory, while targeting sustainable growth in production and reserves. We actively seek new innovations and technologies throughout this process to enhance operating efficiencies and upgrade the integrity of our infrastructure.

Bonterra is committed to elevating the organization to new heights and securing our status as a leading performer within the junior oil and gas sector.

2023 ESG HIGHLIGHTS & INITIATIVES

Bonterra is proud to report an ongoing trend of declining Scope 1 and 2 emissions intensity since 2020. Combined with strong safety performance and a commitment to environmental responsibility, the Company also remained focused on reducing debt to support our longer-term financial sustainability.

Despite increased activity, compared to 2020, Bonterra's Scope 1 GHG emissions intensity declined by 25% while Scope 2 emissions intensity declined by 40% over the same period. The emissions profile in 2023 reflects Bonterra's corporate growth, increased drilling and field activities, along with higher production volumes. The Company remains committed to pursuing emission reduction initiatives as part of our ongoing capital and operating programs.

EMISSIONS

25% Reduction in Scope 1 GHG Emissions Intensity*

40% Reduction in Scope 2 GHG Emissions Intensity*

29% Reduction in Scope 1 & 2 GHG Emissions Intensity*

*since 2020

ENVIRONMENT

84.1
Net wells abandoned in 2023

$9.1 MM
Invested in abandonment & reclamation

7%
Reduction in Scope 1 emissions year-over-year

SOCIAL

$5.3 MM
Reinjected into surrounding communities by way of tax contributions

>450
Local service providers engaged

>200
Local contractors hired directly

GOVERNANCE

29%
Board Diversity – Women on the Board

86%
Board Independence (6/7)

3.5 years
Average Board Tenure

LETTER TO STAKEHOLDERS

I am proud to share Bonterra's third ESG-focused Letter to Shareholders, marking another year of progress along our sustainability journey with a refreshed corporate development plan. This report builds on our previous ESG disclosure which has been guided by the Task Force for Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) frameworks, with an emphasis on highlighting the recent sustainability initiatives that come with our evolving business strategy.

Governance principles remain a cornerstone at Bonterra, as evidenced by the Company's focus on building a team with diverse skills and backgrounds, comprehensive corporate policies, and robust training regimes. Together, these elements are intended to secure a framework for long-term success. Our emphasis on proactive succession planning ensures the introduction of new perspectives and vision to guide the Company toward continued, stable growth. Our leadership team and Board are an example of this, with several additions over the past few years, including my appointment as President and CEO. This has led to the acquisition of new development opportunities and a renewed strategy that emphasizes long-term sustainability, return of capital to shareholders, and the incorporation of additional ESG principles.

Our dedication to the team doesn't end there. At Bonterra, the safety and wellbeing of our people is not just a principle, it's a guiding force in every decision we make. To reinforce this commitment, we integrate comprehensive safety metrics into our KPI Scorecard which directly influences executive compensation across the organization. This proactive approach is strengthened through our educational safety program which tracks, investigates, and promotes continuous improvement across all aspects of Bonterra's business.

Our commitment to understanding and minimizing our environmental footprint while expanding production, enhancing reserves and amplifying shareholder returns has remained a fundamental priority. For example, the advancement of exciting new core areas in the Montney and the Charlie Lake bring a different set of ESG considerations as we expand our operational focus beyond the Company's legacy Cardium asset. These considerations include enhanced water management, methane emissions, and waste management practices. We recognize the significance of addressing these factors within our sustainability program and strategically planning for the risks and opportunities associated with climate change.

LETTER TO STAKEHOLDERS, CONT'D

As one of Canada's longest-standing, most resilient exploration and production companies, we are excited by the opportunities ahead as we look to further demonstrate the free funds flow potential of our core Cardium asset, continue exploring the inherent value of our Montney acreage, and integrate our new Charlie Lake light oil weighted play into the portfolio. In doing so, we intend to continue enhancing our reputation as a responsible operator by being a good corporate citizen—exceeding industry standards, regulations and requirements wherever possible and striving to go above and beyond to ensure the health, safety and protection of our employees, contractors, the public and the environment.

On behalf of the Bonterra team, thank you for your ongoing support as we push ahead on our transformative journey.

Patrick Oliver
President, Chief Executive Officer and Director

Bonterra's performance during 2023 is a source of pride for the Company as we successfully advanced numerous key ESG initiatives:

- Continuous installation and use of wellsite air pneumatics designed to eliminate fugitive methane releases, resulting in an estimated **reduction of 26,000 tonnes of CO_2 annually**, the equivalent of removing 5,650 cars off the road for one year.
- Installation of vapor recovery units (VRU) at the 5-35 Keystone battery and the 14-28 Rose Creek battery, which have reduced CO_2 emissions by an estimated more than 4,000 tonnes annually.
- Ongoing pipeline integrity work resulting in over 389 abandonments over the past four years with 155 abandonments completed in 2023.
- Ongoing non-producing well abandonments totalling over 549 wells over the past four years including 84 abandonments in 2023.

Elimination of fugitive methane releases equates to the annual removal of:

~5,650
cars from the road

TCFD CLIMATE GOVERNANCE

BOARD OVERSIGHT

Bonterra adheres to the most rigorous standards of corporate governance, particularly related to monitoring and assessing climate-related risks and opportunities. Stewardship of the Company lies with our Board of Directors, whose oversight of the management team and the establishment of committees and structures are designed to ensure robust governance.

The Board of Bonterra has the ultimate responsibility to review, consider and approve the Company's long-term strategic plan, along with staying apprised of climate-related issues, including both transitional and physical risks. The Board establishes objectives for Bonterra related to both climate and risk management, and holds Management accountable for prioritizing ESG matters and climate concerns that directly and indirectly affect the Company.

The Governance and Nominating Committee (the "G&NC") assists the Board in these responsibilities. This G&NC's role is to oversee various initiatives and strategies; ensure effective communication and engagement related to ESG, sustainability, and climate issues; and to ensure the Company's commitments and goals are achieved. Accountability for climate-related disclosure and ESG reporting are also under the purview of the G&NC. On a quarterly basis, Management reports to the Board on performance and developments related to health, safety & environment (HS&E) programs, asset retirement obligations, pipeline integrity programs, and field initiatives aimed at managing and reducing climate-related and emission risks.

On a quarterly basis, the Board and the G&NC meet to review ESG and climate-related matters, with the G&NC reporting into the full Board with responsibility for integrating climate considerations into Bonterra's strategy, budgets and risk management processes.

Bonterra's Board remains committed to providing robust and meaningful oversight and to upholding a culture of continuous improvement that embraces innovation, enhancement and progress. To avoid entrenchment and strike an optimal balance between corporate memory and new perspectives, the Board has continued to refresh its composition. In addition, the Board has continued to review, and where required, introduce new governance policies, which include climate risks, considerations and opportunities.

By integrating climate-related risks and opportunities into our governance processes, strategy, and risk management, Bonterra is taking proactive steps towards enhancing resilience and sustainability in the face of challenges associated with climate change.

MANAGEMENT OVERSIGHT

With regards to ESG and climate-related matters, Bonterra's CEO, with support from Management, reports directly to the G&NC and the full Board. Management is accountable for assessing and navigating sustainability risks, identifying climate and ESG priorities, integrating sustainability into corporate strategy, and monitoring performance.

Bonterra's Management takes a collaborative approach to implementing the Company's ESG strategies and programs, with certain executives having accountability for the sustainability matters that primarily impact their particular areas of expertise. Bonterra's operations group, led by the VP Engineering, takes primary responsibility for emissions management and monitoring, regulatory submissions, and identifying opportunities for emissions reduction, supported by the full executive team. Similarly, the Chief Financial Officer takes the lead on risk management, engaging investors, corporate disclosures, contemplating capital allocation, and procuring funds for emissions management projects, with the backing of the entire Management and various internal finance divisions.

By drawing on the skills and expertise of Bonterra's capable team to support the CEO, the Company maintains a robust organizational framework. Each member contributes valuable insights, ideas and experience which help to advance performance and stay on top of strategic matters, including those related to ESG and climate-change impacts.

Bonterra's Management takes pride in upholding a progressive and empowering workplace that seeks to drive innovative solutions and entrepreneurial thinking. The Company also strives to ensure each employee understands their individual role in environmental stewardship, social impacts and ensuring a high-integrity culture. Bonterra's Environment, Health & Safety Policy outlines the Company's commitment to safe work practices that surpass statutory obligations, and meeting or exceeding all environmental regulations. Further, Bonterra has an environmental, health, and safety team who is responsible for ensuring the Company operates in accordance with all environmental requirements and safety precautions.

CLIMATE-RELATED STRATEGY

With ongoing issues globally related to sourcing reliable and affordable energy, Bonterra believes in being part of the solution, while never compromising our focus on emissions reduction and mitigation of climate change impacts. Energy companies have a duty to excel at their core business of finding, developing and producing energy while protecting against risks and uncertainties associated with climate change. As operators in Canada, we proudly adhere to some of the world's most stringent environmental regulations and standards as we continue to provide responsible sources of energy for today, and the future.

Managing emissions represents one of Bonterra's material ESG pillars and is a key environmental priority for the Company. With existing systems in place to manage and mitigate risks related to emissions and climate-related factors, we are striving for continuous improvement and the implementation of new technologies or practices to improve operational efficiencies and drive down emissions.

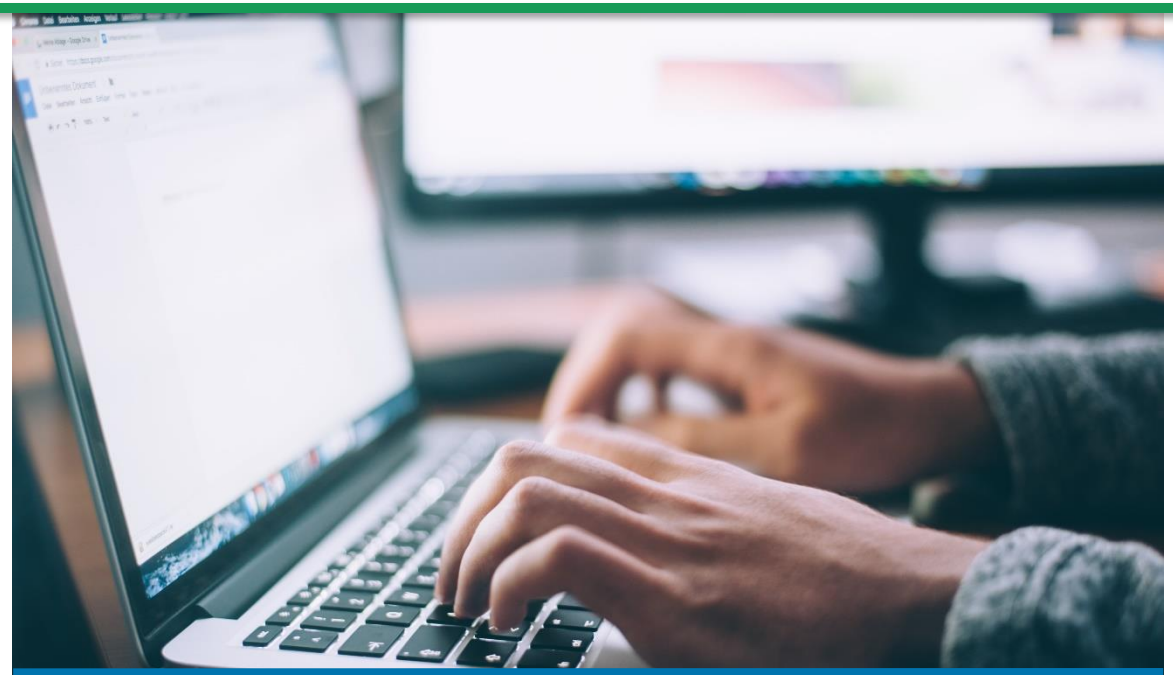
Bonterra's corporate strategy and ESG / climate strategy are aligned which we believe results in a balanced approach between costs and benefits for all stakeholders. Within our risk review and strategy development, Bonterra considers short-term risks and opportunities to be those falling within a one to two-year time horizon. Included in this timeframe are efforts to identify opportunities for reducing carbon compliance costs and enhancing operational efficiencies. For example, carbon pricing analysis is incorporated into our reserves reporting, annual budgeting and capital allocation planning, acquisition and divestment decisions, and as part of our evaluation of new projects and the potential to adopt new technologies.

Over the medium-term (three to five years) and longer-term (greater than five years), Bonterra monitors changing regulatory and market conditions, while also considering potential risks and opportunities that are inherent in a transition to lower-carbon economy.

STRATEGY FOR MANAGING REGULATORY RISKS

As a Canadian entity, Bonterra is subject to comprehensive regulatory frameworks and carbon taxation across all of our operating areas while emissions and fuel usage taxes are also imposed. In response to escalating carbon tax, which directly impacts our operating costs, Bonterra continues to explore initiatives aimed at reducing emissions. These efforts are designed to not only mitigate financial burden but also pave the way for enhanced environmental stewardship and long-term financial sustainability.

In 2020, Alberta implemented its own carbon pricing initiative known as the Technology Innovation Emissions Reduction (TIER) program, aligning with federal greenhouse pollution pricing mandates. TIER mandates registration for facilities emitting 100,000 tonnes or more of carbon dioxide equivalent ("CO_2e") of greenhouse gases ("GHG"). The program's scope has expanded to include smaller oil and gas producers, enabling them to aggregate reporting for all operated facilities. Bonterra has opted to participate in this program, necessitating a retrospective analysis of past emissions to establish a current emission intensity benchmark in CO_2e. Each year, the Company must compare our emission intensity against the updated benchmark. Surpassing the benchmark entitles the Company to carbon credits, which can mitigate compliance costs or offset future carbon credit purchases in case of excess intensity relative to the benchmark. As part of Bonterra's regulatory risk management strategy, we proactively aim to surpass facility benchmarks by identifying emission reduction opportunities at individual sites and across our operating portfolio.



"The Company currently has 17,796 carbon credits and anticipates approximately 1,150 more for the 2023 compliance year. Each carbon credit can offset the carbon charge of emitting one metric tonne of CO_2e into the atmosphere, which is currently priced at $65 per metric tonne and is set to increase in $15 annual increments until a price of $170 per tonne is reached."

STRATEGY FOR REDUCING EMISSIONS

Emissions reduction is crucial for Bonterra not only to diminish our environmental impact but also to lower our costs of compliance. Throughout our operations, Bonterra continues to target the implementation of emission reduction projects.

Through a strategic blend of innovative technologies and operational efficiencies, Bonterra is actively working towards minimizing methane emissions and promoting environmental stewardship. From implementing energy-efficient practices in production processes to investing in carbon offset programs, Bonterra is committed to driving positive change and setting a benchmark for responsible corporate citizenship within the industry.

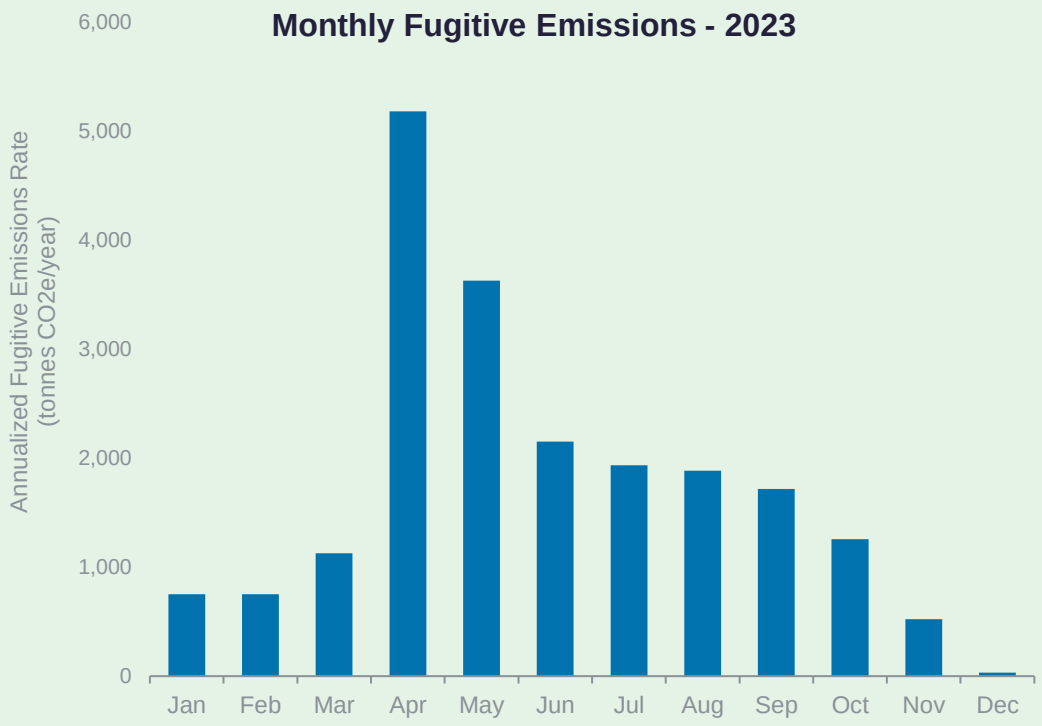
In 2020, Bonterra formally launched a program to reduce methane emissions. In phase one of the program, high bleed devices were upgraded to low bleed alternatives, pumps were replaced and air compressors were installed. The work undertaken in this first phase alone removes the equivalent of an estimated **24,600 tonnes of CO_2e** annually.

During 2023, the Company continued our emissions reduction program with the installation of two additional vapour recovery units (VRUs), which are estimated to reduce emissions by more than **4,000 tonnes of CO_2e** annually; replacement of legacy compressors with an electric screw compressor, which is expected to result in the removal of approximately **3,400 tonnes of CO_2e** annually; and detection of fugitive emissions with our optical gas imaging camera and the repair of detected leaks.

Looking forward, Bonterra will continue with its emission reduction program and look to complete additional compressor upgrades, instrument air compressor packages, and vapour recovery units.

Addressing Fugitive Emissions: Clearly Making an Impact

Bonterra uses an optical imaging camera to proactively identify fugitive emissions and rapidly address any deficiencies. The chart below demonstrates our success in reducing fugitive emissions in 2023 on a monthly basis, ending the year at nearly 100% correction.



MARKETING AND FINANCIAL STRATEGIES

Bonterra is actively exploring avenues to enhance our financial flexibility, attract new investment and enhance our access to capital as a means of bolstering our corporate and sustainability objectives. Central to our strategy is optimizing the efficiency, productivity and profitability of our assets. Achieving this goal requires a sharp focus on investing in measures aimed at driving down operational expenses, allocating capital to those assets featuring lower operating costs and higher returns, and evaluating the opportunity to streamline the asset base by divesting of non-core areas.

Additionally, Bonterra continues to place a high priority on reducing asset retirement obligations (ARO) by focusing on asset retirement initiatives. Through a disciplined and adaptable approach to our capital program, Bonterra aims to navigate market fluctuations, meet evolving demand dynamics, and mitigate price risks through a structured hedging strategy.

DRIVING PERFORMANCE IMPROVEMENT

In the interests of ensuring our decision-making process is broadly informed, Bonterra integrates ESG considerations, such as emissions and climate change risks, into our operational frameworks and strategy discussions. We believe in targeting ongoing enhancements to our emission intensity by elevating initiatives that increase efficiency and transition to lower-carbon alternatives.

We aim to strike the optimal balance between environmental stewardship and fostering economic prosperity for stakeholders and believe that monitoring performance and evaluating progress are critical to success. The data tables commencing on page 34 of this report outline key metrics that Bonterra deems significant for performance tracking, showcasing the Company's progress and advancements since 2021. Bonterra remains committed to reevaluating the metrics utilized each year, particularly concerning climate change risks and their associated financial implications.

CLIMATE-RELATED RISK MANAGEMENT

Robust risk management is paramount to Bonterra's long-term sustainability and profitability. Given the rapid evolution of investor perspectives, market landscapes and regulatory frameworks, Bonterra continues to proactively identify and address emerging risks. The Company has implemented board-level supervision of risk management and developed comprehensive tools and protocols to systematically identify and assess potential risks.

RISK MANAGEMENT ACCOUNTABILITY

Bonterra's management spearheads risk mitigation efforts, overseeing the assessment, ranking, and implementation of strategies to address identified risks. Specific members of the management team may have specific accountabilities tied to their respective roles.

Risk management represents a pivotal component of the G&NC's responsibilities, as they have oversight over ESG matters. This Committee assumes responsibility for supervising Bonterra's risk management protocols, monitoring their execution, and presenting any discoveries, areas of focus, or advancements to the full Board.

RISK MATRIX

The team at Bonterra, along with our G&NC, regularly assesses risks by using a system that weighs the likelihood and potential impact of those risks. Every year, the Company reviews these risks to keep up with the shifting economic, regulatory, and environmental conditions and to seek out new prospects. Part of their ongoing improvement involves a strategy for sharing information in weekly meetings.

The management team's discussions include predictions about field production and give consideration to the various risks and their likelihood of broad ranging impact. Climate-related risks are examined just like other business risks: looking at the probability of occurrence, potential costs, and ultimate fallout. Bonterra relies on expert advice to gauge the likelihood of risks, taking into account factors such as government taxation and the toll on operating costs. The Company looks at potential consequences over both the short and long term, sorting risks into categories that include operational, financial, and reputational and models out the financial significance of each.

BONTERRA'S CLIMATE-RELATED RISKS

Bonterra recognizes various climate-related risks that could affect our Company financially, operationally and corporately given our operations have associated direct and indirect greenhouse gas (GHG) emissions. Direct emissions stem from burning fuel for production equipment, routine venting, leaks, and burning off excess gas, all of which are subject to regulatory standards. Indirect emissions are linked to the use of electricity from public utilities for Bonterra's operations. Both types of emissions are subject to strict regulations, and the costs to comply with these regulations represent a significant risk for Bonterra.

In the following table, BNE has identified the transitional risks and opportunities, as well as the physical risks, that are most pertinent to our business.

TRANSITION RISKS	Risk	Timeframe	Description	Strategic Management
	Policy	Short to Medium-Term	• Carbon pricing and provincial programs increase costs • Uncertainty of government regulations • Increased expenses	• Ensure active government engagement • Incorporation of carbon pricing analysis in reserves reporting and capital allocations plus evaluation of new projects
	Markets	Short-Term	• Potential for decreased demand • Lack of egress opportunity • Production from other jurisdictions with less stringent regulatory bodies • Lower revenue and increased expenses • Inability to raise equity or debt in public markets	• Transparency in ESG reporting • Participation in public policy dialogue • Invest in projects that are financially viable • Maintain close working relationships with lenders and advisors to ensure continued access to both equity and debt markets • Identification and management of Carbon Offsets
	Technology	Long-Term	• Limitations on available technology and cost effectiveness of existing technology and infrastructure • The pace of technological advancements and innovations associated with the energy transition may impact demand for our products.	• Lower decline rates and breakeven pricing to remain competitive • Invest in projects with a short payback to avoid long-term risks • Evaluate technology on the basis of cost and efficiency realized • Partner with technology providers
	Reputation	Medium to Long-Term	• Potential for regulatory and political uncertainty to adversely impact broader Canadian energy sector, limiting access to global capital or increase cost of capital and affect ability to attract or retain employees. • Investors, lenders and insurers moving away from the oil and gas sector, decreasing access to capital / financing and increased borrowing costs • Lower revenue and limited ability to grow	• Transparent disclosure of material risks to the business • Work with stakeholders to understand and mitigate concerns • Decrease emissions profile of operations

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	Risk	Timeframe	Description	Strategic Management
PHYSICAL RISKS	**Acute weather changes**	Short-Term	• Extreme weather events and forest fires, lightning, extreme cold weather, or storms could cause damage to our infrastructure, impact accessibility to our operating areas and cause interruptions to production that impact Bonterra's people, assets and supply chain • Cold weather freeze-offs that disrupt production flow and revenue • Physical damage to our facilities caused by extreme weather conditions could create significant capital requirements to rebuild and result in decreased operating cash flow.	• Identification and monitoring of assets at higher risk • New operating areas have newer infrastructure and deploy technology and innovation that helps mitigate risk of aging infrastructure or legacy operating practices • Consideration of changing weather in project designs and emergency response plan that would be activated in the event of an incident • Proactive supplier engagement • Business interruption insurance for key infrastructure and property on larger facilities mitigates the risk of significant financial loss.
	Chronic weather changes	Long-Term	• Changes in the global temperature and weather variability could impact demand • Prolonged droughts could impact ability to access water for operations	• Operational activity planned around weather conditions including drilling in winter for better access • Effective protocols in place should extreme weather prevail to ensure the health and safety of workers, contractors and the public, as well as the protection of the environment, and designed to minimize financial impact • Should a long-term drought occur, implement water management procedures to reduce reliance on fresh water sources and limit the potential operational and financial impact

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OPPORTUNITIES	Opportunity	Description
	Resource Efficiency	• Process efficiency improvements and innovations around water use and recycling help lower costs while decreasing environmental impact • Meeting and exceeding emissions performance regulations in Alberta can result in the generation of surplus emissions performance credits.
	Energy Source	• Utilization of the lowest emissions energy options and reduction of emissions intensity corporately can minimize exposure to increasing carbon pricing and decrease operational costs. • Equipping new drilling locations with natural gas infrastructure to supply fuel to power bi-fuel capable drilling rigs. Cleaner burning natural gas could / has replaced diesel used to drill wells.
	Markets	• The transition to a less carbon-intensive economy creates technological development opportunities, including access to capital and government funding. Potential to advance several technological strategies and consider the opportunity for CCS to capture and sequester emissions.
	Products & Services	• Focus on low emission hydrocarbon development could increase demand and open up new markets, increasing revenue and improving resilience in a shifting marketplace.
	Resilience	• The location and design of our facilities allows us to operate under various climate conditions, and any potential climate-related acute and chronic physical risks are mitigated through engineering design and operational procedures which are continually re-assessed to maintain resilience as risk levels change. • The localized nature of our operations and the quality of the reservoir allows us to consider the potential for CCS deployment • Explore other technologies and partnerships - continue to be part of industry groups where operators, industry associations, and other stakeholders discuss challenges to implementing and operationalizing current or proposed climate policies and methane regulations. In the Net Zero by 2050 scenario, we would significantly enhance our collaboration efforts to identify shared pathways to reduce emissions and may explore joint ventures and other opportunities to diversify into lower carbon solutions such as carbon capture or hydrogen.

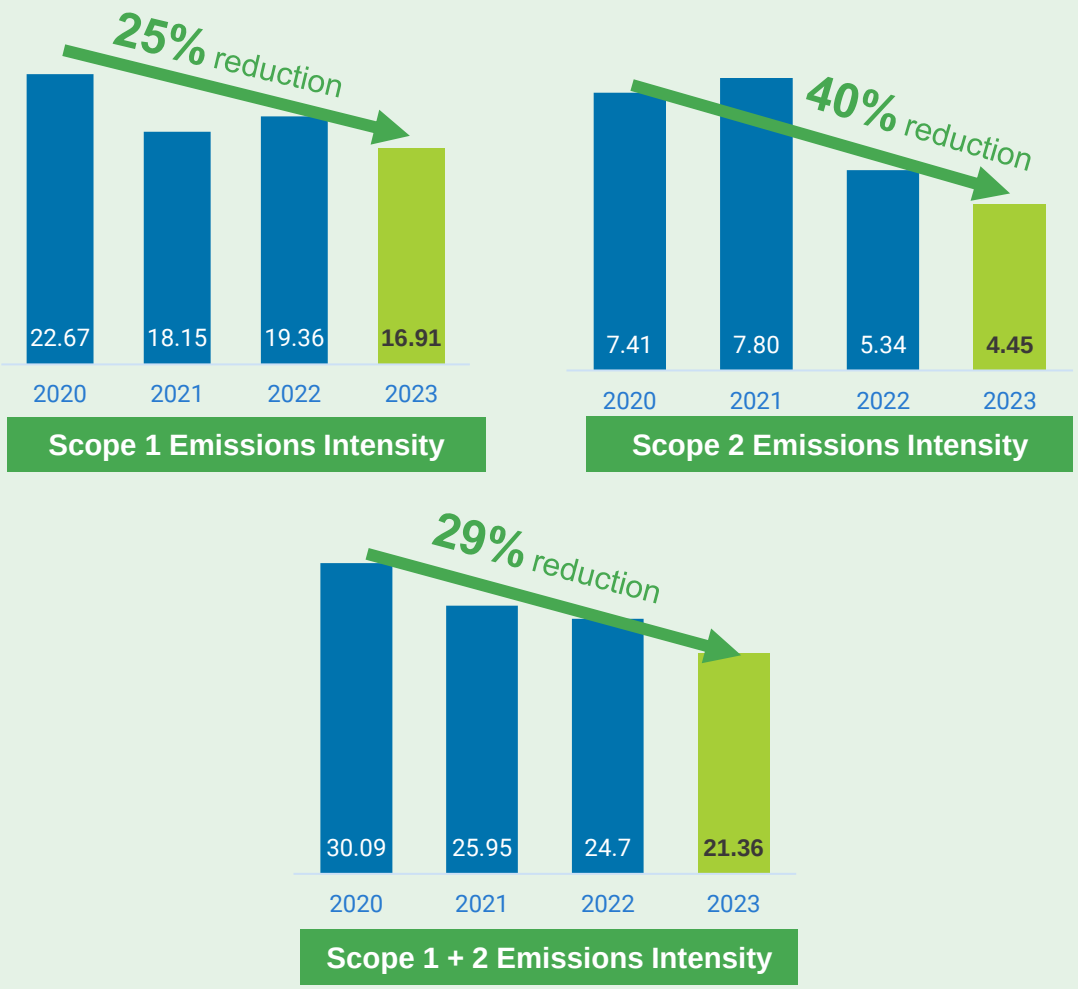
TCFD METRICS

As part of our ongoing measurement and reporting activities, Bonterra uses various metrics to assess climate-related risks and opportunities that are in-line with our strategy and risk management process.

With continued capital investment into Bonterra's operations through 2023, the Company generated higher production volumes and developing a new core area in the Montney. Even with the activity level and the impact of the Montney development that still requires a buildout of infrastructure, we are proud to confirm meaningful reductions in our 2023 Scope 1 and 2 GHG emissions both from 2020 and year-over-year. The Company's Scope 1 GHG emissions intensity declined by 25% compared to 2020 and by 13% compared to 2022, while Scope 2 emissions intensity declined by 40% and 17%, over the same respective periods. This decline reflects the Company's ongoing efforts related to gas conservation, the use of gas imaging to identify, quantify and repair fugitive emissions, and the reduction of venting and flaring through facility consolidation, technological improvements, equipment upgrades, and decommissioning of older infrastructure.

We are optimistic that Bonterra can realize additional emission reductions by continuing with vapor recovery initiatives, incorporating new control systems, modernizing and centralizing compression systems, and utilizing surplus gas emission credit swaps. Through 2023, the Company equipped two oil battery sites with vapour recovery units (VRUs), which are anticipated to collectively reduce emissions by more than 4,000 tonnes of CO_2e annually. Bonterra is committed to working towards reducing emissions and emissions intensity, as well as to the continuous improvement in our operational practices.

GHG Emissions Intensity Reductions
2020-2023



ESG IN ACTION: GROUNDED IN ENERGY

Over and above simply aligning with TCFD recommendations, Bonterra's Canadian operations benefit from a regulatory environment that places a high priority on human rights, the rule of law, and ethical business practices.

This ensures the Company remains free from the challenges associated with forced child labor, conflict minerals, corruption, or irresponsible development, while also benefitting from the assurance of sanctity of contracts that is a hallmark of Canadian jurisprudence. Further, operating within Canada offers a stable platform characterized by strict regulatory standards, comprehensive climate and emissions surveillance, adherence to local codes, and rigorous oversight by various authorities. Such a framework ensures that our operational integrity is synonymous with environmental stewardship and ethical conduct.

We recognize that petroleum products serve a multitude of purposes beyond fuel for transportation and encompass a vast array of secondary applications that are integral to our daily lives. Production from our oil-weighted assets in the Cardium and Charlie Lake are both light oil, and offer a better environmental profile compared to heavier oil assets. Longer term, Bonterra could broaden the scope of oil purchasers to those who require the product for wider-reaching applications, thereby enhancing our value chain and future opportunities.

We're also assessing the potential to modify the composition of our resources by way of developing our Montney asset, which would be expected to increase the proportion of natural gas liquids and natural gas, hailed as a fuel for the future given its cleaner combustion profile. This potential pivot aligns with our commitment to sustainable development and equips Bonterra to flourish amid an energy paradigm that is ever evolving. Given it is a new development, Bonterra's Valhalla Montney asset stands at the frontier of innovation, presenting us with the unique opportunity to implement state-of-the-art technologies and establish infrastructure that is not only cleaner and more efficient, but also minimizes environmental impact.

ENVIRONMENT

Bonterra acknowledges the significance of aligning economic progress with environmental stewardship and social accountability. Embracing a holistic perspective on ESG principles, we have adopted a proactive stance towards minimizing our environmental footprint. This includes implementing practices to mitigate emissions, minimize waste, and optimize energy consumption. Bonterra remains committed to not only comply with, but surpass, all relevant environmental regulations and standards, which are recognized as some of the most stringent in the world.

EMISSIONS

Efforts to Minimize Greenhouse Gas (GHG) Emissions

Bonterra has prioritized the management and reduction of greenhouse gas (GHG) and methane emissions as a key focus area. In addition to strict compliance with emissions regulations and standards, the Company actively explores opportunities to mitigate or minimize emissions wherever feasible from both an economic and operational standpoint.

Our ongoing efforts continue to concentrate on reducing Scope 1 emissions, which are directly influenced by Bonterra's activities, encompassing areas such as flaring, venting, fuel consumption, and fugitive emissions. Scope 2 emissions stem from the electricity purchased by Bonterra from the grid, which results in a challenge for direct control. Transitioning away from grid energy to less carbon-intensive sources presents complexities due to our current operational ties to the grid. In the long run, the potential adoption of natural gas-powered facilities is under consideration.

With the majority of our assets located in Alberta, Bonterra operates under the regulatory framework of the Alberta Energy Technology Innovation and Emissions Reduction (TIER) program.

Under TIER, oil and gas companies are required to obtain third party verification of their reported emissions, imparting data integrity and quantifying the reporting methodology

LAND & BIODIVERSITY

Land Impact and Footprint Minimization

The team at Bonterra is dedicated to continual efforts aimed at reducing our environmental impact. Alongside the adoption of innovative clean technologies, our drilling and completions strategies prioritize low environmental footprint. By utilizing multi-well pad sites and horizontal drilling techniques, we minimize surface disturbance and enhance reservoir access for more efficient drainage, ultimately boosting production and operational efficiencies while minimizing surface disruptions.

To safeguard surrounding wildlife and biodiversity, we employ animal monitoring and protection methods, conducting assessments of local flora and fauna to ensure minimal impact on natural habitats.

Following our operations, Bonterra is committed to comprehensive land restoration efforts, ensuring full post-activity reclamation to restore the land to its original state. Additionally, we actively contribute to the Orphan Well Association, a collaborative initiative involving the Alberta Government, provincial regulators, and industry stakeholders. This partnership focuses on safeguarding public safety and managing environmental risks associated with oil and gas properties lacking a legally or financially responsible party for accountability.

Liability Management

In 2023, Bonterra kept pace with our historical track record of well abandonment activities, demonstrating our commitment to reducing the Company's abandonment and reclamation obligations (ARO), an integral part of our ESG principles.

Our ARO plan, in order of priority, includes the following initiatives:

1. Reduce wells with no further economic potential to less than 10% of our total well count;
2. Monitor inactive pipelines as per the Pipeline Integrity and Operating Manual, and continue to reduce inactive pipeline count based on project management forecast;
3. Meet the regulated ARO spend annually; and
4. Pursue well site reclamation as a larger scale project for Bonterra, capturing efficiencies of scale.

A total of $9.1 million was directed toward our ARO in 2023, successfully reducing the Company's inactive well count by 84.1 net wells, abandoning 155 inactive pipelines and conducting reclamation activities on approximately 73 gross well sites. The Company anticipates engaging in larger-scale reclamation projects going forward.

Bonterra also leveraged support from Alberta's Site Rehabilitation Program (SRP) program to enhance our abandonment practices. We will continue to exercise discipline in our approach to ARO, drawing upon any future funding opportunities or tax reduction incentives that may come available.

With support from Alberta's SRP program, Bonterra invested $23.4 million to successfully abandon **573.5 net wells, 423 pipelines and six facilities** from 2020 to 2023.

Well Bore Abandonment Program

2020 – 120.0 well abandonments

2021 – 221.0 well abandonments

2022 – 123.5 well abandonments

2023 – 84.1 well abandonments

Pipeline Abandonment Program

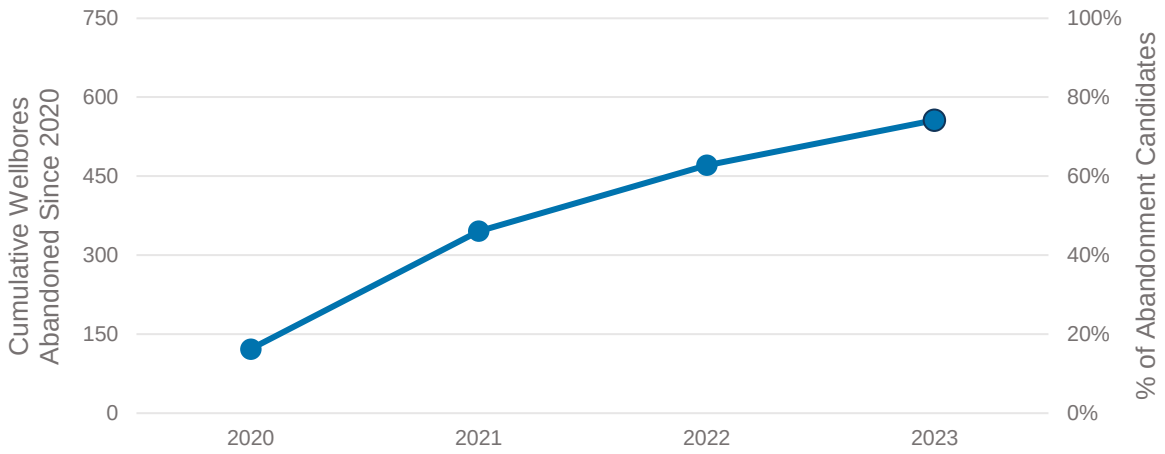
2020 – 25 pipeline abandonments

2021 – 156 pipeline abandonments

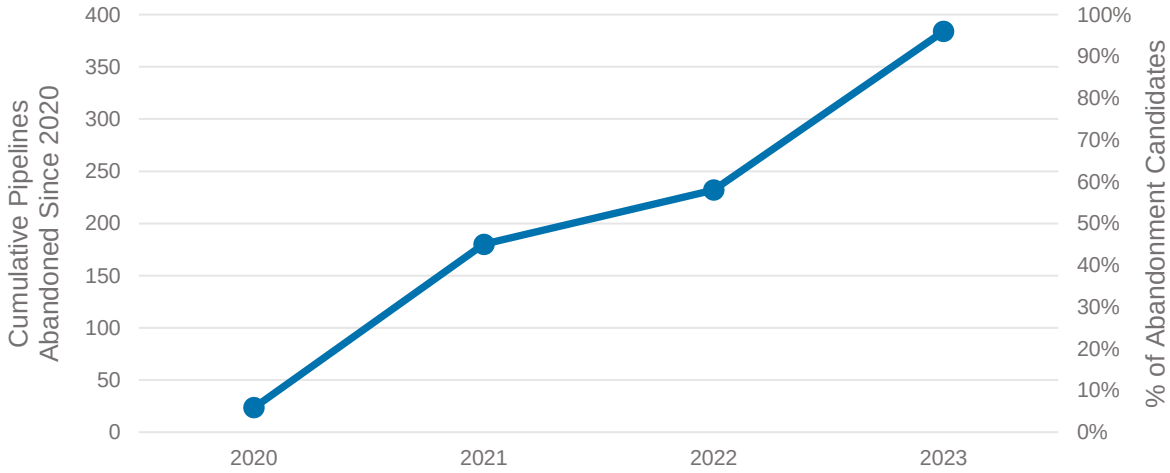
2022 – 53 pipeline abandonments

2023 – 155 pipeline abandonments

Cumulative Wellbore Abandonments



Cumulative Pipeline Abandonments



Asset & Operational Integrity

Bonterra places a strong emphasis on its asset integrity program, considering it a key priority. This program encompasses various initiatives aimed at preventing incidents and mitigating risks effectively.

Across Bonterra's operations, the Company oversees substantial infrastructure including wells, pad sites, batteries, facilities, tanks, pipelines, and right-of-ways/roads. This infrastructure plays a vital role in supporting our drilling, completion, equipment installation, and well tie-in activities – all of which are essential for the success of our operations and our ability to enhance production. As such, the proper maintenance of this infrastructure is crucial to minimize environmental impacts or disruptions to local communities. Bonterra's rigorous asset integrity program is meticulously structured to proactively prevent or mitigate potential damaging events, ensuring the safe and efficient operation of our assets throughout their lifecycle. The Company continues to invest significant effort and funds into our pipeline integrity program on a go forward basis.

Supporting this physical infrastructure is Bonterra's comprehensive health, safety, and environmental program that establishes policies and procedures governing the design standards, operations, and integrity management of our assets.

This program includes emergency response plans and readiness exercises encompassing incident response protocols for spills, releases, and other potential impacts. Thorough investigations are conducted into identified hazards or actual incidents to facilitate swift response and recovery measures in case of emergencies.

Adhering to the directives outlined in pipeline and pressure equipment operating manuals, Bonterra's team will undertake thorough inspections and testing of a range of our assets, including wellsites, facilities and pipelines. These inspections go hand-in-hand with conducting integrity assessments of materials and executing risk and hazard identification protocols. In instances where new facilities or structures are required for operational purposes, we incorporate high integrity engineering designs and adhere to standards that can effectively protect against extreme weather, temperature variations or other environmental conditions such as wind and heavy snow loads. Given our operational focus in Alberta, these strategies are essential to mitigate the impact of our harsh northern climate.

Completed Pipeline Integrity Initiatives in 2023

56 *check valves replaced/ refurbished*

24 *cement lined SW pipeline segments replaced with fiber spar (17.14km)*

7 *pipelines pressure tested and 1 in-line-inspection completed to confirm pipeline integrity*

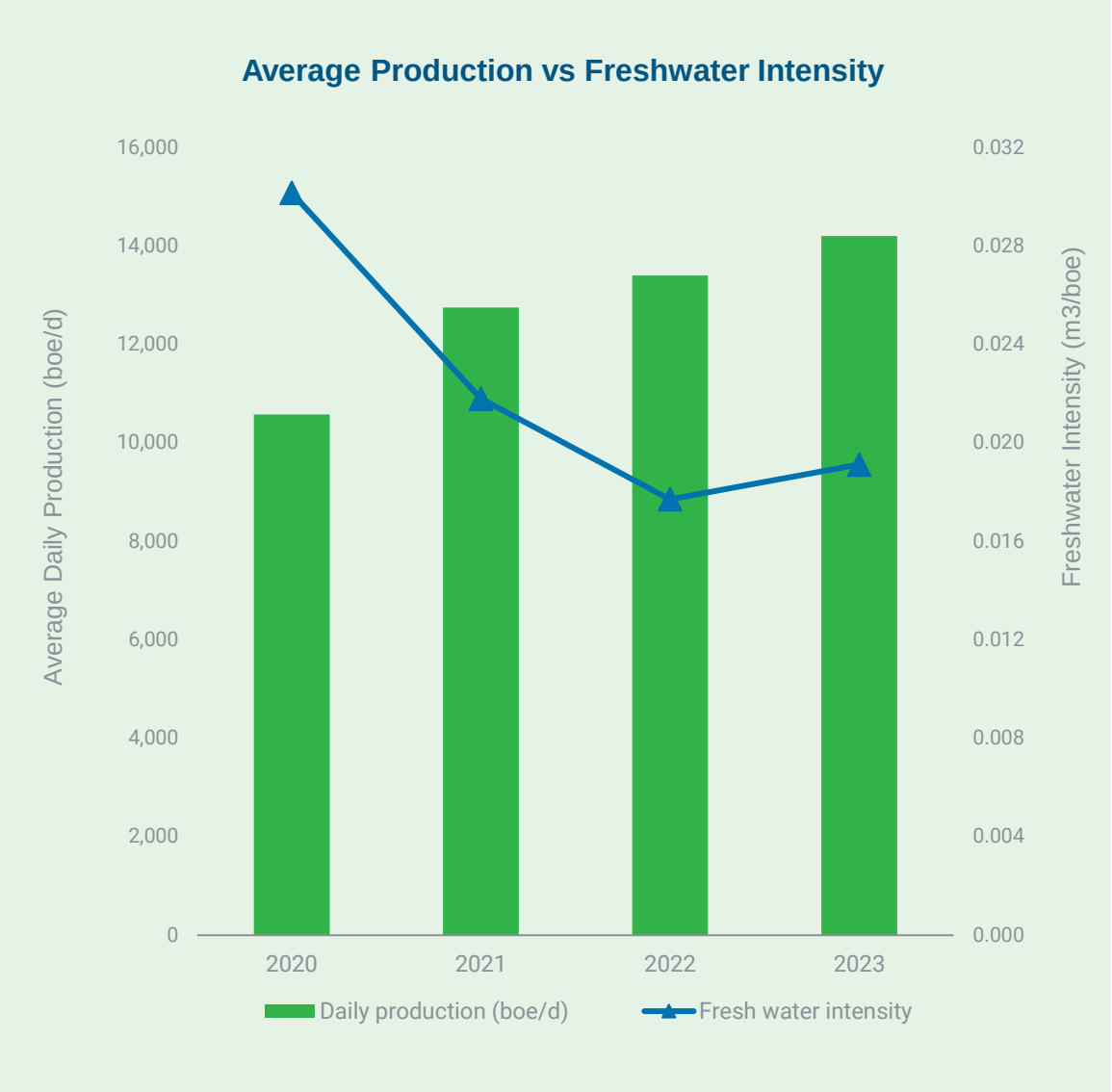
ENHANCED LEAK DETECTION *Installed on 07-04 & 10-10 SW pipelines (10 segments, 8 kms, 330m3/d produced water)*

WATER MANAGEMENT

Our water management strategy is centered on the responsible sourcing and utilization of water to meet operational needs, with a focus on minimizing fresh water withdrawals whenever possible.

For fracking, which constitutes the primary water demand for Bonterra, fresh water is largely drawn from man-made structures like dugouts or borrow pits, originally excavated for road construction but subsequently filled with rainwater or groundwater. On occasion, natural water sources such as rivers, creeks, or ponds may supplement frack water requirements or serve as makeup water for injection purposes. From 2020 to 2023, our production increased 34% while our freshwater intensity declined by 37%[1], underscoring our ongoing commitment to advancing sustainability practices while also growing our business for shareholders.

Operating within a low-risk watershed area significantly mitigates the impact of our water usage; however, we acknowledge the potential implications of freshwater consumption on local communities and wildlife. To address this, the vast majority of Bonterra's produced water is utilized for waterflood operations to enhance hydrocarbon recovery by maintaining reservoir pressure and facilitating oil displacement between injector and producer wells. As such, we are able to decrease reliance on fresh water per well and our produced water disposal requirements are minimal, with the Company typically disposing of produced water by injecting it back into reservoirs lacking economic hydrocarbon potential.



[1] Excludes Montney exploration well

SOCIAL

For Bonterra, collaboration serves to improve the health and prosperity of our communities, and we focus on helping to address actual and potential impacts. By creating initiatives that foster enduring positive social and economic outcomes, we are able to cultivate strong partnerships with all stakeholders, including our valuable employees.

HEALTH AND SAFETY

Oil and gas operations are required to comply with rigorous health and safety standards, undergoing continuous monitoring with regular and transparent reporting practices. Bonterra has established a series of comprehensive policies, proactive protocols, and an Emergency Response Plan (ERP) that is designed to safeguard our workforce, local communities, and the environment.

Our safety program is education-centric, emphasizing continuous tracking, investigation, and enhancement across all operational aspects. Additionally, our robust asset integrity program sets inspection intervals, conducts ongoing maintenance, ensures timely equipment replacements, and consistently evaluates assets for potential improvements or repairs. Bonterra maintains appropriate insurance coverage and strictly complies with the Occupational Health and Safety Acts of Alberta, Saskatchewan, and British Columbia, as well as WorkSafeBC regulations.

Key Safety Policies & Manuals

HS&E Manual
- further defines policies and procedures

Emergency Response Manual
- defines response to any potential emergencies

Pressure Equipment Owner User Manual
- defines how pressure equipment must be maintained

Pipeline Integrity & Operating Manual
- outlines protocols for inspections and safety assurances

Emergency Response Preparedness

Bonterra's ERP is designed to provide a rapid and effective response to any level of potential emergency.

All operational employees are trained on emergency response protocols and we have established incident command structures to ensure that our emergency management process is effective. In addition, all employees are required to participate in emergency response drills on an annual basis.

We also undertake the following initiatives to support our preparedness for any incident:

- Hazard identification
- Verification of resources and equipment to be used during any ERP by response personnel
- Ongoing training, drills, and annual table-top exercises designed to mimic an actual emergency to ensure the team functions effectively during high-stress situations

EMPLOYEE ENGAGEMENT

The people at Bonterra represent our most important asset.

Within our team, we have skilled and technically proficient professionals who adhere not only to our Company's internal regulations and policies but also uphold a stringent ethical standard and self-regulation through affiliations with esteemed organizations like the Association of Chartered Professional Accountants (CPA), Association of Professional Engineers and Geoscientists of Alberta (APEGA), and Canadian Association of Petroleum Landmen (CAPL). This ensures that we foster a culture of empowerment where each individual can flourish while collectively driving towards the sustained prosperity of our business.

A few of our employee-centric initiatives include:

- Professional development support, including ongoing training, networking along with support in attaining, and maintaining, professional designations;
- Adoption of advanced technologies designed to help employees perform at a higher level;
- Providing employees with flex days, remote working flexibility options, a Wellness Spending Account and Health Spending Account;
- Enabling employees to participate in the Company's stock option plan which strengthens the team engagement while further aligning with shareholders; and
- Company-sponsored and organized social events.

COMMUNITY ENGAGEMENT

Bonterra takes great pride in its active and trusted role within the communities where we reside and operate our business.

We place a strong emphasis on continuous interaction with local landowners and community members affected by our activities. Our goal is to listen to their feedback, foster collaborative partnerships, and maintain open communication channels throughout all stages of our operations, from inception to reclamation. By engaging in transparent dialogue, sharing information openly, and striving for consensus on solutions, we demonstrate our commitment to addressing stakeholder concerns effectively. Bonterra is dedicated to collaborating with both internal and external partners to address any issues or inquiries that may arise during our operations.

Our dedication to community support was recognized when Bonterra was honored with the 2020 Pro-Local Award for our ongoing backing of local oil field services, businesses, and the residents of Drayton Valley.

Economic Impacts

Bonterra believes an important part of maintaining healthy communities is to ensure ongoing positive economic impact by employing members of the local community or engaging independent contractors for work opportunities, and by engaging local service providers. Furthermore, our significant indirect financial support provided through tax and royalty payments also contribute to the growth and development of the wider community. At Bonterra, our people embody the spirit of the community, just as our communities reflect our values and mission.

Community Contributions

Bonterra is committed to building lasting and meaningful connections with our stakeholders and local communities where we operate. We prioritize the needs of local groups and organizations, crafting strategies to support them by providing both financial contributions and an allocation of resources. Throughout 2023, Bonterra made significant contributions to local communities, the province, and Canada through the payment of royalties and taxes. These funds are essential for supporting public services that benefit society as a whole, such as health care, education, infrastructure, and various social programs.

Bonterra provided financial support to important charities including Ronald McDonald House Charities, the Development and Disabilities Resource Centre of Calgary (DDRC), and the Alberta Children's Hospital.

Indigenous Engagement

Bonterra's activities are located outside Indigenous territories, which has meant that historically, there hasn't been a direct opportunity to partner with First Nations communities in business initiatives.

CORPORATE GOVERNANCE

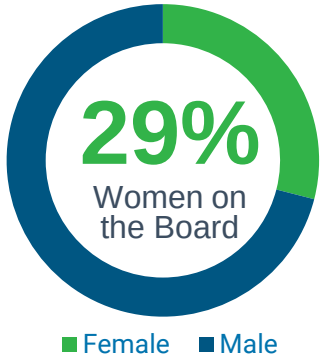
Bonterra takes pride in our track record of upholding ethical and transparent governance, which ensures that the views and interests of all stakeholders are considered and respected, and that our practices align with current expectations for ESG standards.

Through our commitment to responsible business conduct and contributions to community well-being, Bonterra strives to provide positive societal and environmental impacts. In addition to maintaining our reputation, our commitment also fosters trust, a critical component to attract capital. We firmly believe that corporate responsibility and sound governance practices are fundamental to Bonterra's success and instrumental for risk and liability reduction, paving the way for a more sustainable future.

86%
Board Independence

3.5 Years
Average Board Member Tenure

Board Diversity



The Board of Directors fulfills its responsibilities by convening routine meetings at least quarterly, with additional meetings scheduled as required to maintain the highest level of efficacy.

Bonterra is committed to upholding the highest standards in governance. This includes allowing all members to observe committee meetings, holding *in camera* sessions that are attended solely by independent board members with the CEO absent, and by having a dedicated committee responsible for ESG, HSE, and Sustainability oversight. Additionally, each committee of Bonterra's Board, including Audit, Human Resources and Compensation, Reserves, and G&NC, operates with complete independence.

Bonterra's robust policies to guide behaviors and decision-making include:

- Code of Business Conduct & Ethics
- Diversity Policy
- Whistleblower Policy
- Audit Committee Charter
- G&NC Committee Charter
- Human Resources & Compensation Committee Charter
- Mandate of the Board of Directors
- Articles of Incorporation
- Company By-Laws
- Majority Voting Policy
- Disclosure & Trading Policy

Bonterra recognizes the growing significance of cybersecurity risk within our operations. Safeguarding our digital infrastructure and data assets is paramount to ensuring operational continuity, protecting sensitive information, and maintaining stakeholder trust. We have integrated robust cybersecurity measures into our ESG framework, aiming to mitigate potential threats, enhance resilience, and uphold our commitment to transparency and accountability. Our proactive approach to cybersecurity aligns with industry best practices and regulatory requirements and supports our sustainable business practices and long-term value creation goal for all stakeholders.

Developing and Promoting our People

In 2023, a new VP Engineering assumed leadership of the operations group, alongside the internal promotion of a Production and Facilities Manager, underscoring Bonterra's commitment to succession planning and cultivating talent from within. The Company's strategic focus on human capital planning and internal leadership development reflects our dedication to long-term sustainability and organizational growth.

Following the retirement of founder and former CEO Mr. George Fink, Mr. Patrick Oliver took the helm as CEO in late 2022, bringing over 35 years of industry experience and a proven track record in the Western Canadian upstream oil and gas sector. Mr. Oliver’s appointment injects a fresh perspective, new vision, and energy that are poised to steer Bonterra towards a successful future.

Emphasizing equity and diversity throughout its workforce, Bonterra prioritizes hiring individuals best suited for each role, drawing from a diverse talent pool encompassing varying ages, genders, educational backgrounds, cultures, and experiences. This inclusive approach enables the Company to harness the unique perspectives and skill sets of each team member for collective success.

FINANCIAL SUSTAINABILITY

Bonterra has been disciplined and focused on continuing to enhance the Company's financial flexibility and sustainability through continued debt reduction and prudent capital allocation, while developing and complementing the assets in our portfolio that offer the greatest potential returns.

During 2023, the Company completed compelling strategic moves through asset acquisitions and land sales to establish a position in the Charlie Lake fairway and advance development of Bonterra's Montney profile. These important moves show a commitment to corporate sustainability while adding considerable value to our existing portfolio.

The Charlie Lake play seamlessly integrates with the Company's established Cardium assets and cash flow profile and complements the emerging Montney resource play. This creates a robust foundation that can support sustained growth and free funds flow, thereby underpinning the Company's effort to drive significant value creation for shareholders and further enhancing the Company's commitment to a return of capital model.

> "As a publicly traded entity, Bonterra has a duty to act in the Company's best interests and maximize shareholder value, doing so in the most responsible and ethical manner possible."

PERFORMANCE SUMMARY

Company Snapshot	Units	2023	2022	2021	SASB Code
Petroleum and natural gas sales	$ Thousands CAD	319,517	384,197	251,616	
Royalties	$ Thousands CAD	46,404	62,075	25,750	
Operating expenses	$ Thousands CAD	83,064	85,385	70,670	
Salaries and benefits	$ Thousands CAD	9,212	7,489	5,924	
Capital expenditures	$ Thousands CAD	126,477	76,769	67,282	
Dividends	$ Thousands CAD	0	0	0	
Production (Net)					
Net, Sales	boe/d	14,204	13,401	12,747	EM-EP-000.A
Oil	bbl/d	7,209	7,095	7,204	EM-EP-000.A
NGL	bbl/d	1,359	1,141	1,013	EM-EP-000.A
Conventional natural gas	Mcf/d	33,814	31,023	27,176	EM-EP-000.A
Energy equivalent - Volume bases	m^3 oil equivalent/yr	822,911	776,726	738,478	EM-EP-000.A
Reserves Summary					
Proved Producing	Mboe	32,763	33,702	32,495	
Total Proved	Mboe	80,141	80,702	78,231	
Proved + Probable	Mboe	100,747	100,490	97,431	

Environment	Units	2023	2022	2021	SASB Code
Greenhouse Gas (GHG) Emissions					
Direct, Scope 1	CO_2e tonnes	90,250	97,251	87,697	EM-EP-110a.1
Direct GHG intensity	kg CO_2e/boe	16.91	19.36	18.15	EM-EP-110a.1
Carbon Dioxide (CO2)	CO_2e tonnes	72,987	73,250	66,752	
Methane (CH4)	CO_2e tonnes	16,724	23,459	20,452	
Fuel combustions	CO_2e tonnes	65,165	67,398	64,780	EM-EP-110a.2
Flare	CO_2e tonnes	13,222	11,264	6,906	EM-EP-110a.2
Vent	CO_2e tonnes	10,480	16,971	16,011	EM-EP-110a.2
Fugitives	CO_2e tonnes	1,384	1,617	Not measured	EM-EP-110a.2
Indirect, Scope 2	CO_2e tonnes	23,762	26,822	37,711	
Total, Scope 1 & Scope 2	CO_2e tonnes	114,012	124,073	125,408	
Indirect scope 2 GHG intensity	kg CO_2e/boe	4.45	5.34	7.80	
Total scope 1 & 2 GHG intensity	kg CO_2e/boe	21.36	24.70	25.95	

Environment	Units	2023	2022	2021	SASB Code
Water					
Percentage of fresh water from regions with high water stress	percent	0	0	0	EM-EP-140a.1
Fresh water, withdrawals	m^3	127,927	86,618	101,420	EM-EP-140a.1
Non-potable water withdrawals	m^3	0	1,186.5	0	
Fresh water intensity*	m^3/boe	0.019	0.018	0.022	EM-EP-140a.1
Produced water (Saline), withdrawals	m^3	808,827	911,145	889,200	
Frac water used	m^3	127,927	86,414	98,546	EM-EP-140a.2
Number of wells frac'd	count	38	31	36	
Frac water used per well	m^3	3,366	2,787	2,737	
Percentage of hydraulic fractured wells for which there is public disclosure of all fracturing fluid chemicals used	percent	100	100	100	EM-EP-140a.3
Injected for waterflood	m^3	775,556	858,690	877,986	
Injected for disposal	m^3	102,437	79,110	99,776	

*excludes Montney exploration well.

Environment	Units	2023	2022	2021	SASB Code
Environmental Liabilities					
Number of reportable spills	count	4	3	4	EM-EP-160a.2
Total volume of reportable spills	m^3	39.5	26.5	53.1	EM-EP-160a.2
Spill intensity (reportable spills)*	m^3/boe	0.0000076	0.0000054	0.0000114	
Pipeline incidents	count	3	3	5	
Pipeline operated distance	km	1,297	1,277	1,123	
Pipeline incident frequency rate	count/1000km	0.00231	0.00235	0.00445	
Abandonment & Reclamation					
Number of producing wells	net	861	891	927	
Number of inactive producing wells	net	328	291	336	
Number of injecting wells	net	130	134	131	
Number of inactive injection wells	net	21	29	62	
Number of abandoned wells	net	705	652	529	
Well Count	net	2,075	2,048	2,017	
Wells abandoned	net	84.1	123.5	221.0	
ARO Spend Required	$ Thousands CAD	4,742	3,658	3,338	
Total ARO Spend	$ Thousands CAD	9,073	6,531	4,500	

*Reportable spills is defined by the Alberta Energy Regulator: https://www.aer.ca/regulating-development/compliance/release-reporting

Social	Units	2023	2022	2021	SASB Code
Employee Profile					
Full-time	count	38	39	36	
Field		6	6	6	
Office		32	33	30	
Diversity					
Corporate, % Female	%	42%	41%	42%	
Corporate, % Male	%	58%	59%	58%	
Health & Safety					
Lost Time Injuries (Employee & Contractor)	count	2	1	0	
Total Recordable Injuries (Employee & Contractor)[1]	count	4	4	4	EM-EP-320a.1
Total Reportable Injuries (Employee & Contractor)[2]	count	0	0	0	
Lost Time Injury Frequency (Employee & Contractor)	LTI x 200,000/ total hours worked	0.59	0.31	0.00	
Total Recordable Injury Frequency (Employee & Contractor)	RI x 200,000/ total hours worked	1.18	1.23	1.33	
Fatalities	count	0	0	0	EM-EP-320a.1

1. Recordable injuries follows the definition provided by OSHA and includes injuries that result in days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, fatalities, or significant diagnosed injury.
2. Reportable injuries follows the definition provided by OHS and includes workplace injuries that result in fatalities, admission to hospital, or injuries from unplanned explosions, fires or floods, collapse of a crane, derrick or hoist, or collapse or failure of any component of a building or structure.

Security, Human Rights & Rights of Indigenous Peoples	Units	2023	2022	2021	SASB Code
Percentage of proved and probable reserves in areas of conflict	%	0%	0%	0%	EM-EP-210a.1
Percentage of proved and probable reserves in or near indigenous lands	%	0%	0%	0%	*EM-EP-210a.2*
Governance					
Board of Directors, % Female	%	29%	29%	33%	
Board of Directors, % Male	%	71%	71%	67%	
Independent Directors, %	%	86%	71%	83%	
Board Chair Independence		yes	yes	no	
Committee Independence	%	100%	100%	100%	
Ethics					
Number of whistleblower reports	count	0	0	0	
Number of whistleblower reports outstanding	count	0	0	0	
Percentage of proved and probable reserves in or near areas of conflict	count	0	0	0	*EM-EP-210a.1*
Percentage of proved and probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	count	0	0	0	*EM-EP-510a.1*

ADVISORIES

Forward-Looking Information

Certain statements contained in this report include statements which contain words such as “anticipate”, “could”, “should”, “expect”, “seek”, “may”, “intend”, “likely”, “will”, “believe” and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this report includes, but is not limited to: the estimated reduction in CO_2 emissions resulting from Bonterra’s ESG initiatives; the intention to pay dividends; expected cash provided by continuing operations; future capital expenditures, including the amount and nature thereof; well abandonment and reclamation initiatives, air and water management systems, activities to reduce the environmental impact of operations, oil and gas reserves, oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our combined business and operations; and maintenance of existing supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; the continuing and uncertain impact of COVID-19; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

Non-IFRS Financial Measures

Throughout this report Bonterra uses the terms “funds flow”, “free funds flow”, and "field netback" to analyze operating performance, which are not standardized measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures are commonly utilized in the oil and gas industry and are considered informative by management, shareholders and analysts. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. Bonterra defines funds flow as funds provided by operations excluding effects of changes in non-cash working capital items and commissioning expenditures settled. Free funds flow is defined as funds flow less dividends paid to shareholders, capital and decommissioning expenditures settled. Field netback is defined as revenue minus royalties, realized gain or loss on risk management contracts and production costs.

ADVISORIES

Oil and Gas Information

This report contains metrics commonly used in the oil and natural gas industry, such as "BOE". Each of these metrics are determined by Bonterra as specifically set forth in this report. These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included to provide readers with additional information to evaluate the Bonterra's performance, however such metrics should not be unduly relied upon for investment or other purposes. Management uses these metrics for its own performance measurements and to provide readers with measures to compare Bonterra's performance over time.

The term barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel 6 mcf/bbl of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Bonterra's performance over time, however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the performance in previous periods. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this report, should not be relied upon for investment or other purposes.

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