INDICATIVE TERMS & CONDITIONS

OBSIDIAN ENERGY LTD.
MARKETED OFFERING OF SUBSCRIPTION RECEIPTS
NOVEMBER 2, 2021

A preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada, except Quebec. A copy of the preliminary short form prospectus, and any amendment, is required to be delivered to any investor that received this document.

The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, amended and restated preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	Obsidian Energy Ltd. (the “Company”).
Offering:	Treasury offering of subscription receipts of the Company (the “Subscription Receipts”), on a marketed basis (the “Offering”), each representing the right to receive, without payment of any additional consideration or further action on the part of the holder, one common share of the Company (a “Common Share”), upon the satisfaction of the Escrow Release Conditions (defined below).
Offering Price:	To be determined in the context of the market.
Offering Amount:	Minimum of $12.5 million and maximum of $22.5 million, prior to the exercise of the Over-Allotment Option.
Over-Allotment Option:	The Company grants to the Agents an option for a period up to 30 days on or following the Closing Date to acquire up to an additional 15% of Subscription Receipts sold pursuant to the Offering, to cover over-allotments, if any, and for market stabilization purposes.
Use of Proceeds:	The net proceeds from the Offering will used by the Company to facilitate the funding of a portion of the purchase price of the acquisition of the remaining 45% non-operated working interest in the Company’s existing Peace River Oil Partnership from its existing partner (the “Acquisition”) pursuant to the terms of a definitive agreement entered into between the parties (the “Acquisition Agreement”). The Acquisition is expected to close the week of November 15, 2021.
Subscription Receipts:	Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action on the part of the holder, and subject to the terms and conditions of the Subscription Receipt Agreement (defined below), one Common Share upon the satisfaction of the Escrow Release Conditions. Upon closing of the Offering, the gross proceeds from the sale of the Subscription Receipts (the “Escrowed Funds”) will be deposited in escrow and held by a trustee (the “Subscription Receipt Agent”), as agent on behalf of the holders of the Subscription Receipts, pursuant to a Subscription Receipt Agreement and invested in short-term obligations of, issued or guaranteed by, the Government of Canada, a province of Canada or a

Canadian chartered bank (or other approved investments), until the earlier of (I) satisfaction of the Escrow Release Conditions, and (ii) the occurrence of a Termination Event, all pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt Agreement") to be entered into between the Company, the Agents and the Subscription Receipt Agent as of the Closing Date.

Provided that the Escrow Release Conditions are satisfied prior to the occurrence of a Termination Event (defined below), the Company and the Agents will deliver a joint notice (the "Notice") to the Subscription Receipt Agent that the Escrow Release Conditions have been satisfied, upon which the Escrowed Funds will be released to the Company and used to facilitate the funding of a portion of the purchase price of the Acquisition.

If a Termination Event occurs, holders of the Subscription Receipts will be entitled to receive from the Subscription Receipt Agent an amount equal to the full purchase price of each Subscription Receipt held, together with their pro rata portion of the interest, if any, earned on the Escrowed Funds from, and including, the Closing Date to, but excluding, the date upon which a Termination Event occurs, less applicable withholding taxes.

Escrow Release Conditions:	"Escrow Release Condition" means that all conditions, undertakings and other matters to be satisfied, completed or otherwise met prior to the completion of the Acquisition (in accordance with the Acquisition Agreement and without waiver or material amendment of the terms and conditions thereof, in whole or in part, by any of the parties thereto unless the consent of the Agents is given for such waiver or amendment, such consent not to be unreasonably withheld) have been satisfied, completed or otherwise met, but for the payment of the purchase price, which is to be satisfied in part by the release of the Escrowed Funds pursuant to the terms of the Subscription Receipt Agreement.
Termination Event:	A "Termination Event" means the earliest to occur of any of: (i) the failure to satisfy the Escrow Release Conditions and deliver the Notice to the Subscription Receipt Agent on or before December 31, 2021, (ii) the termination of the Acquisition Agreement in accordance with its terms; or (iii) the Company advising the Subscription Receipt Agent and the syndicate or formally announcing to the public by way of a press release or otherwise that it does not intend to proceed with the Acquisition.
Form of Offering & Jurisdictions:	Marketed public offering by way of a short form prospectus filed in all provinces of Canada, except Quebec, and in the United States on a private placement basis pursuant to available exemptions from the registration requirements under the *United States Securities Act of 1933*, as amended, and applicable state securities laws, and in such other jurisdictions and in such other jurisdictions that are mutually agreed to by the Company and the Agents, each acting reasonably, and in accordance will all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdictions.
Listing:	An application will be made to list the Subscription Receipts and the Common Shares issuable pursuant thereto upon conversion of the Subscription Receipts on the Toronto Stock Exchange (the "TSX"). The existing common shares are listed on TSX under the symbol "OBE".

Eligibility:	The Subscription Receipts and the Common Shares issuable pursuant thereto upon conversion of the Subscription Receipts will be eligible for investment under certain statutes as well as for RRSPs, RRIFs, RESPs, TFSAs and DPSPs.
Agents:	Raymond James Ltd. and Stifel Nicolaus Canada Inc.
Commission:	6.0% of the gross proceeds of the Offering (the "Commission") with 50% payable by the Company at the Closing Date and the balance paid from the proceeds of the Offering upon satisfaction of the Escrow Release Conditions. The Commission shall be reduced to a 2.0% fee on any "President's List" orders, up to $1.5 million, which are allocated as part of the Offering.
Closing Date:	The week of November 15, 2021 or such other date as mutually agreed upon.