

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. The timely preparation of the financial statements requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

The audit committee has reviewed these condensed financial statements with management and has reported to the Board of Directors. The Board of Directors has approved the financial statements as presented in this interim report.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at (unaudited) (\$ 000s)	Note	September 30, 2018	December 31, 2017
Assets			
Current			
Accounts receivable		22,368	20,536
Crude oil inventory		632	794
Prepaid expenses		5,050	2,535
Investments		209	274
		28,259	24,139
Investment in related party		321	476
Exploration and evaluation assets		4,422	4,217
Property, plant and equipment	3	1,003,075	995,075
Investment tax credit receivable	7	8,861	8,834
Goodwill		92,810	92,810
		1,137,748	1,125,551
Liabilities			
Current			
Accounts payable and accrued liabilities		40,165	26,130
Due to related party	4	12,000	12,000
Subordinated promissory note	5	10,000	12,500
Deferred consideration		1,413	1,299
		63,578	51,929
Bank debt	6	293,197	292,212
Deferred consideration		13,590	14,765
Decommissioning liabilities		130,658	126,631
Deferred tax liability	7	136,218	129,754
		637,241	615,291
Subsequent events	11		
Shareholders' equity			
Share capital	8	764,070	763,977
Contributed surplus		27,782	25,533
Accumulated other comprehensive loss		(530)	(339)
Retained earnings (deficit)		(290,815)	(278,911)
		500,507	510,260
		1,137,748	1,125,551

See accompanying notes to these condensed financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the periods ended September 30 (unaudited)		Three Months		Nine Months	
(\$ 000s, except \$ per share)	Note	2018	2017	2018	2017
Revenue					
Oil and gas sales, net of royalties	9	56,417	43,185	168,308	138,144
Other income		60	103	181	230
Deferred consideration		332	-	1,060	-
		56,809	43,288	169,549	138,374
Expenses					
Production		19,572	15,319	53,115	44,638
Office and administration		534	1,137	1,946	2,603
Employee compensation		1,202	959	3,937	3,528
Finance costs		4,371	5,136	14,089	14,594
Share-option compensation		753	1,029	2,261	3,907
Depletion and depreciation	3	22,288	22,349	68,264	66,427
Exploration and evaluation		-	-	291	-
		48,720	45,929	143,903	135,697
Earnings (loss) before income taxes		8,089	(2,641)	25,646	2,677
Taxes					
Current income tax expense (recovery)	7	555	(245)	1,076	(233)
Deferred income tax expense	7	1,778	647	6,494	2,500
		2,333	402	7,570	2,267
Net earnings (loss) for the period		5,756	(3,043)	18,076	410
Other comprehensive income (loss)					
Unrealized loss on investments		(79)	(137)	(221)	(680)
Deferred taxes on unrealized loss on investments		11	19	30	93
Other comprehensive loss for the period		(68)	(118)	(191)	(587)
Total comprehensive income (loss) for the period		5,688	(3,161)	17,885	(177)
Net earnings (loss) per share - basic and diluted	8	0.17	(0.09)	0.54	0.01
Comprehensive income (loss) per share - basic and diluted	8	0.17	(0.09)	0.54	(0.01)

See accompanying notes to these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOW**For the periods ended September 30 (unaudited)**

(\$ 000s)	Note	Three Months		Nine Months	
		2018	2017	2018	2017
Operating activities					
Net earnings (loss)		5,756	(3,043)	18,076	410
Items not affecting cash					
Deferred income taxes		1,778	647	6,494	2,500
Deferred consideration		(332)	-	(1,060)	-
Share-option compensation		753	1,029	2,261	3,907
Depletion and depreciation		22,288	22,349	68,264	66,427
Exploration and evaluation expenditures		-	-	291	-
Unwinding of the discount on decommissioning liabilities		789	763	2,307	2,252
Investment income		(21)	(18)	(48)	(41)
Interest expense		3,583	4,373	11,783	12,342
Change in non-cash working capital accounts:					
Accounts receivable		(586)	4,091	(2,775)	3,617
Crude oil inventory		(16)	23	32	188
Prepaid expenses		1,143	651	(2,515)	(1,908)
Investment tax credit receivable		(27)	-	(27)	-
Accounts payable and accrued liabilities		2,435	(640)	5,114	1,001
Decommissioning expenditures		(291)	(361)	(960)	(952)
Interest paid		(3,583)	(4,373)	(11,783)	(12,342)
Cash provided by operating activities		33,669	25,491	95,454	77,401
Financing activities					
Increase (decrease) of bank debt		(10,216)	4,252	985	16,118
Subordinated promissory note		-	-	(2,500)	-
Stock option proceeds		81	-	81	143
Dividends		(9,994)	(9,993)	(29,980)	(29,978)
Cash used in financing activities		(20,129)	(5,741)	(31,414)	(13,717)
Investing activities					
Investment income received		21	18	48	41
Exploration and evaluation expenditures		(535)	(738)	(535)	(738)
Property, plant and equipment expenditures	3	(18,279)	(13,383)	(73,417)	(62,928)
Change in non-cash working capital accounts:					
Accounts payable and accrued liabilities		5,293	(6,697)	8,921	(1,354)
Accounts receivable		(40)	1,050	943	1,295
Cash used in investing activities		(13,540)	(19,750)	(64,040)	(63,684)
Net change in cash in the period		-	-	-	-
Cash, beginning of period		-	-	-	-
Cash, end of period		-	-	-	-

See accompanying notes to these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the periods ended (unaudited)

(\$ 000's, except number of shares outstanding)

	Numbers of common shares outstanding (Note 8)	Share Capital (Note 8)	Contributed surplus ⁽¹⁾	Accumulated other Comprehensive income (loss) ⁽²⁾	Retained earnings (deficit)	Total shareholder's equity
January 1, 2017	33,302,435	763,788	21,068	414	(241,446)	543,824
Share-option compensation			3,907			3,907
Exercise of options	8,361	143				143
Transfer to share capital on exercise of options		46	(46)			-
Comprehensive income (loss)				(587)	410	(177)
Dividends					(29,978)	(29,978)
September 30, 2017	33,310,796	763,977	24,929	(173)	(271,014)	517,719
Share-option compensation			604			604
Comprehensive income (loss)				(166)	2,096	1,930
Dividends					(9,993)	(9,993)
December 31, 2017	33,310,796	763,977	25,533	(339)	(278,911)	510,260
Share-option compensation			2,261			2,261
Exercise of options	5,000	81				81
Transfer to share capital on exercise of options		12	(12)			-
Comprehensive income (loss)				(191)	18,076	17,885
Dividends					(29,980)	(29,980)
September 30, 2018	33,315,796	764,070	27,782	(530)	(290,815)	500,507

⁽¹⁾ All amounts reported in Contributed Surplus relate to share-based payments.

⁽²⁾ Accumulated other comprehensive income is comprised of unrealized gains and losses on available-for-sale investments.

See accompanying notes to these condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

As at September 30, 2018 and December 31, 2017 and for the three and nine months ended September 30, 2018 and September 30, 2017 (unaudited).

1. NATURE OF BUSINESS AND SEGMENT INFORMATION

Bonterra Energy Corp. (“Bonterra” or the “Company”) is a public company listed on the Toronto Stock Exchange (the “TSX”) and incorporated under the Business Corporations Act (Alberta). The address of the Company’s registered office is Suite 901, 1015-4th Street SW, Calgary, Alberta, Canada, T2R 1J4.

Bonterra operates in one industry and has only one reportable segment being the development and production of oil and natural gas in the Western Canadian Sedimentary Basin.

The financial statements were authorized for issue by the Company’s Board of Directors on November 7, 2018.

2. BASIS OF PREPARATION

a) Statement of Compliance

The Company prepares its unaudited condensed financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34).

The accounting policies and method of computation followed in the preparation of the condensed financial statements are the same as those followed in the preparation of Bonterra’s 2017 audited annual financial statements, except for as denoted below. These condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the 2017 audited annual financial statements, which has been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Adopted Accounting Pronouncements

As of January 1, 2018, the Company adopted IFRS 15 “Revenue from contracts with customers”. IFRS 15 replaces the sections IAS 11 “Construction contracts”, IAS 18 “Revenue” and related interpretations. IFRS 15 provides a single, principled-based five-step model to be applied to all contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive when control is transferred to the purchaser. This standard also requires expanded disclosure requirements. The standard is required to be adopted either retrospectively or using a modified retrospective approach.

Bonterra used the modified retrospective approach to adopt the standard. Under this transitional provision, the cumulative effect of initially applying IFRS 15 is recognized on the date of initial application as an adjustment to retained earnings. No adjustment to retained earnings was required upon adoption of IFRS 15. The Company has reviewed its various revenue streams and underlying contracts with customers, and as result of this review, the adoptions of IFRS 15 did not have a material impact on the Company’s statements of comprehensive income and financial position. However, the Company has expanded the disclosures in the notes to its financial statements as prescribed by IFRS 15, including disclosing the Company’s disaggregated revenue streams by product type in Note 9. In addition, as a result of this adoption, the Company has revised the description of its accounting policy for revenue recognition as follows:

Revenue Recognition

Revenue associated with the sale of crude oil, natural gas and natural gas liquids is measured based on the consideration specified in contracts with customers. Revenue from contracts with customers is recognized when or as Bonterra satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The transfer of control of oil, natural gas, natural gas liquids usually coincides with title passing to the customer and the customer taking physical

possession. The Company principally satisfies its performance obligations at a point in time and the amounts of revenue recognized relating to performance obligations satisfied over time are not significant. Collection of revenue associated with the sale of crude oil, natural gas and natural gas liquids occurs on or about the 25th of the month following production. Items such as royalties for crown, freehold, gross overriding (GORR) and Saskatchewan surcharge are netted against revenue. These items are netted to reflect the deduction for other parties' proportionate share of the revenue.

Administration fee income is recorded when management services and office administration are provided.

c) Future Accounting Pronouncements

In January 2016, the IASB issued IFRS 16 Leases, which replaces IAS 17 Leases. IFRS 16 requires the recognition of lease assets and liabilities on the balance sheet for most leases, where the entity is acting as a lessee. For lessees applying IFRS 16, the dual classification model of leases as either operating leases or finance leases no longer exists, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the balance sheet recognition requirements and may continue to be treated as operating leases. Lessors will continue with the dual classification model for leases and the accounting for lessors remains virtually unchanged.

The standard will come into effect for annual periods beginning on or after January 1, 2019. IFRS 16 is required to be adopted either retrospectively or using a modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

IFRS 16 will be adopted by Bonterra on January 1, 2019. The Company is currently engaging and educating stakeholders and is reviewing corporate processes to ensure contract completeness when identifying leases. Identifying, gathering and analyzing contracts impacted by the adoption of the new standard is in progress. The Company anticipates that the adoption of IFRS 16 will not have a material impact on Bonterra's financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Cost (\$ 000s)	Oil and gas properties	Production facilities	Furniture fixtures & other equipment	Total property plant & equipment
Balance at December 31, 2017	1,318,063	324,729	2,181	1,644,973
Additions	59,743	13,606	68	73,417
Transfers from exploration and evaluation assets	40	-	-	40
Adjustment to decommissioning liabilities ⁽¹⁾	2,678	-	-	2,678
Balance at September 30, 2018	1,380,524	338,335	2,249	1,721,108
Accumulated depletion and depreciation (\$ 000s)	Oil and gas properties	Production facilities	Furniture fixtures & other equipment	Total property plant & equipment
Balance at December 31, 2017	(529,434)	(118,757)	(1,707)	(649,898)
Depletion and depreciation	(56,311)	(11,892)	(61)	(68,264)
Other	129	-	-	129
Balance at September 30, 2018	(585,616)	(130,649)	(1,768)	(718,033)
Carrying amounts as at: (\$ 000s)				
December 31, 2017	788,629	205,972	474	995,075
September 30, 2018	794,908	207,686	481	1,003,075

⁽¹⁾ Adjustment to decommissioning liabilities is due to a decrease in the risk-free rate and a change in estimate on decommissioning costs.

There were no impairment losses or reversals recorded in the statement of comprehensive income for the nine months ended September 30, 2018 and 2017.

4. TRANSACTIONS WITH RELATED PARTIES

As at September 30, 2018, the Company's CEO, Chairman of the Board and major shareholder has loaned the Company \$12,000,000 (December 31, 2017 - \$12,000,000). The loan bears interest at Canadian chartered bank prime less 5/8th of a percent and has no set repayment terms but is payable on demand. Security under the debenture is over all of the Company's assets and is subordinated to any and all claims in favour of the syndicate of senior lenders providing credit facilities to the Company. The Company's bank agreement requires that the above loan can only be repaid should the Company have sufficient available borrowing limits under the Company's credit facility. Interest paid on this loan during the first nine months of 2018 was \$261,000 (September 30, 2017 - \$196,000).

The Company provides executive and marketing services for Pine Cliff Energy Ltd. (Pine Cliff). All services that were performed were charged at estimated fair value. As at September 30, 2018, the Company had an account receivable from Pine Cliff of \$39,000 (December 31, 2017 - \$36,000).

5. SUBORDINATED PROMISSORY NOTE

As at September 30, 2018, Bonterra had \$10,000,000 (December 31, 2017 - \$12,500,000) outstanding on a subordinated note to a private investor. The terms of the subordinated promissory note are that it bears interest at five percent and is repayable after thirty days' written notice by either party. Security consists of a floating demand debenture over all of the Company's assets and is subordinated to any and all claims in favor of the syndicate of senior lenders providing credit facilities to the Company. Interest paid on the subordinated promissory note during the first nine months was \$388,000 (September 30, 2017 - \$467,000). On February 9, 2018 the Company repaid \$2,500,000.

The Company's bank agreement requires that the above loan can only be repaid should the Company have sufficient available borrowing limits under the Company's credit facility.

6. BANK DEBT

As at September 30, 2018, the Company has a bank facility of \$380,000,000 (December 31, 2017 - \$380,000,000). Comprised of a \$330,000,000 syndicated revolving credit facility and a \$50,000,000 non-syndicated revolving credit facility. The amount drawn under the bank facility at September 30, 2018 was \$293,197,000 (December 31, 2017 - \$292,212,000). The amounts borrowed under the bank facility bears interest at a floating rate based on the applicable Canadian prime rate or Banker's Acceptance rate, plus between 0.50 percent and 3.50 percent, depending on the type of borrowing and the Company's consolidated debt to EBITDA ratio. EBITDA is defined as net income for the period excluding finance costs, provision for current and deferred taxes, depletion and depreciation, share-option compensation, gain or loss on sale of assets and impairment of assets. The terms of the bank facility provide that the loan is revolving to April 29, 2019, with a maturity date of April 30, 2020, subject to annual review. The credit facilities have no fixed terms of repayment.

The available lending limit of the bank facility is reviewed semi-annually on or before April 30 and October 31 and based on the lender's assessment of the Company's reserves, future commodity prices and costs. On October 30, 2018, the Company successfully renewed its available lending limit at \$380,000,000 with no changes to the current terms and conditions.

The amount available for borrowing under the bank facility is reduced by outstanding letters of credit. Letters of credit totaling \$900,000 were issued as at September 30, 2018 (December 31, 2017 - \$900,000). Security for the bank facility consists of various floating demand debentures totaling \$750,000,000 (December 31, 2017 - \$750,000,000) over all of the Company's assets and a general security agreement with first ranking over all personal and real property.

The following is a list of the material covenants on the bank facility:

- The Company cannot exceed \$380,000,000 in consolidated debt (excluding accounts payable and accrued liabilities). As at September 30, 2018 consolidated debt is \$315,197,000.
- Dividends paid in the current quarter shall not exceed 80 percent of the available cash flow for the preceding four fiscal quarters divided by four, which is calculated as 29 percent for the current quarter.

Available cash flow is defined to be cash provided by operating activities excluding the change in non-cash working capital and decommissioning liabilities settled and including investment income received and all net proceeds of dispositions included in cash used in investing activities. At September 30, 2018, the Company is in compliance with all covenants.

7. INCOME TAXES

The Company has the following tax pools, which may be used to reduce taxable income in future years, limited to the applicable rates of utilization:

(\$ 000s)	Rate of Utilization (%)	Amount
Undepreciated capital costs	7-100	87,652
Share issue costs	20	37
Canadian oil and gas property expenditures	10	96,277
Canadian development expenditures	30	163,311
Canadian exploration expenditures	100	8,063
Federal income tax losses carried forward ⁽¹⁾	100	28,981
		384,321

⁽¹⁾ Federal income tax losses carried forward expire in the following years; 2036 - \$28,764,000; 2037 - \$217,000

The Company has \$8,861,000 (December 31, 2017 - \$8,834,000) of investment tax credits that expire in the following years; 2021 - \$1,851,000; 2022 - \$1,735,000; 2023 - \$1,097,000; 2024 - \$1,241,000; 2025 - \$1,323,000; 2026 - \$1,105,000; 2027 - \$410,000; and 2035 - \$99,000.

The Company has \$64,435,000 (December 31, 2017 - \$64,435,000) of capital losses carried forward which can only be claimed against taxable capital gains.

Included in accounts payable and accrued liabilities is \$1,076,000 for current tax expense for provincial income taxes owing.

8. SHAREHOLDERS' EQUITY

Authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

	Number	Amount (\$ 000s)
Issued and fully paid - common shares		
Balance, beginning of year	33,310,796	763,977
Issued pursuant to the Company's share option plan	5,000	81
Transfer from contributed surplus to share capital		12
Balance, September 30, 2018	33,315,796	764,070

The Company is authorized to issue an unlimited number of Class "A" redeemable Preferred Shares and an unlimited number of Class "B" Preferred Shares. There are currently no outstanding Class "A" redeemable Preferred Shares or Class "B" Preferred Shares.

The weighted average common shares used to calculate basic and diluted net earnings per share for the nine months ended September 30 is as follows:

	Three Months		Nine Months	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Basic shares outstanding	33,312,155	33,310,796	33,311,254	33,309,168
Dilutive effect of share options ⁽¹⁾	273,234	-	40,282	2,280
Diluted shares outstanding	33,585,389	33,310,796	33,351,536	33,311,448

⁽¹⁾ The Company did not include 1,593,000 share options for the three months ended September 30, 2018 (September 30, 2017 – 1,189,000) and 1,826,000 share options for the nine months ended September 30, 2018 (September 30, 2017 – 1,156,000) in the dilutive effect of share options calculations as these share options were anti-dilutive.

For the three months ended September 30, 2018, the Company declared and paid dividends of \$9,994,000 (\$0.30 per share) (September 30, 2017 - \$9,993,000 (\$0.30 per share)). For the Nine months ended September 30, 2018 the Company declared and paid dividends of \$29,980,000 (\$0.90 per share) (September 30, 2017 - \$29,978,000 (\$0.90 per share)).

The Company provides an equity settled option plan for its directors, officers, employees and consultants. Under the plan, the Company may grant options for up to 3,331,580 (December 31, 2017 – 3,331,080 common shares). The exercise price of each option granted cannot be lower than the market price of the common shares on the date of grant and the option's maximum term is five years.

A summary of the status of the Company's stock options as of September 30, 2018 and changes during the period ended are presented below:

	Number of options	Weighted average exercise price
At January 1, 2018	2,806,000	\$19.48
Options granted	42,000	17.76
Options exercised	(5,000)	16.26
Options forfeited	(53,000)	19.01
Options expired	(924,000)	28.59
At September 30, 2018	1,866,000	\$14.96

The following table summarizes information about options outstanding and exercisable as at September 30, 2018:

Range of exercise prices	Options outstanding			Options exercisable		
	Number outstanding	Weighted-average remaining contractual life	Weighted- average exercise price	Number exercisable	Weighted- average exercise price	
\$ 13.00 - \$ 15.00	1,704,000	1.5 years	\$ 14.56	-	\$ -	-
15.01 - 20.00	130,000	1.6 years	17.57	30,000	17.15	
20.01 - 35.00	32,000	1.2 years	25.93	16,000	27.95	
\$ 13.00 - \$ 35.00	1,866,000	1.5 years	\$ 14.96	46,000	\$ 20.91	

The Company records compensation expense over the vesting period, which ranges between one to three years, based on the fair value of options granted to employees, directors and consultants. During the nine months period ended September 30, 2018 The Company granted 42,000 options with an estimated fair value of \$127,000 or \$3.03 per option using the Black-Scholes option pricing model with the following key assumptions:

September 30, 2018

Weighted-average risk free interest rate (%) ⁽¹⁾	2.00
Weighted-average expected life (years)	2.0
Weighted-average volatility (%) ⁽²⁾	42.34
Forfeiture rate (%)	7.80
Weighted average dividend yield (%)	7.06

⁽¹⁾ Risk-free interest rate is based on the weighted average Government of Canada benchmark bond yields for one, two, and three year terms to match corresponding vesting periods.

⁽²⁾ The expected volatility is measured as the standard deviation of expected share price returns based on statistical analysis of historical weekly share prices for a representative period.

9. OIL AND GAS SALES, NET OF ROYALTIES

(\$ 000s)	Three months		Nine months	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Oil and gas sales				
Crude oil	56,457	39,596	166,336	124,910
Natural gas liquids	4,325	2,539	11,372	6,820
Natural gas	3,035	4,214	10,692	16,644
	63,817	46,349	188,400	148,374
Less royalties:				
Crown	(4,784)	(2,299)	(12,681)	(7,265)
Freehold, gross overriding royalties and other	(2,616)	(865)	(7,411)	(2,965)
	(7,400)	(3,164)	(20,092)	(10,230)
Oil and gas sales, net of royalties	56,417	43,185	168,308	138,144

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to credit risk, liquidity risk and market risk as part of its normal course of business. The Company's overall risk management program seeks to mitigate these risks and reduce the volatility on the Company's financial performance. Financial risk is managed by senior management under the direction of the Board of Directors. Bonterra's exposure to credit risk, liquidity risk and market risk are consistent with those discussed in note 21 of the Company's audited annual financial statements for the year ended December 31, 2017.

Physical Delivery Sales Contracts

Bonterra enters into physical delivery sales contracts to manage commodity price risk. These contracts are considered normal executory sales contracts. For the nine months ended September 30, 2018, the Company had the following physical delivery sales contracts in place:

Product	Type of contract	Volume	Term	Contract price
Oil	Fixed price - WTI ⁽¹⁾	500 BBL/day	January 1 to March 31, 2018	\$57.19 US/BBL
Oil	Basis Differential WTI ⁽¹⁾⁽³⁾	500 BBL/day	January 1 to March 31, 2018	\$(2.80) US/BBL
Oil	Fixed price - WTI ⁽¹⁾	500 BBL/day	January 1 to June 30, 2018	\$59.55 US/BBL
Oil	Costless physical oil collar - WTI ⁽¹⁾	1,000 BBL/day	April 1 to June 30, 2018	Floor price \$57.00 US/BBL Ceiling price \$71.65 US/BBL
Oil	Costless physical oil collar - WTI	1,000 BBL/day	April 1 to June 30, 2018	Floor price \$57.00 US/BBL Ceiling price \$71.40 US/BBL
Gas	Costless physical gas collar - AECO ⁽⁴⁾	5,000 GJ/day	April 1 to June 30, 2018	Floor price \$0.80 \$Cdn/GJ Ceiling price \$1.23 \$Cdn/GJ

⁽¹⁾ WTI refers to West Texas Intermediate, a grade of light sweet crude oil used as benchmark pricing in the United States.

⁽²⁾ "MSW Stream index" or "Edmonton Par" refers to the mixed sweet blend that is the benchmark price for conventionally produced light sweet crude oil in Western Canada.

⁽³⁾ Basis differential is the difference between WTI and MSW steam index.

⁽⁴⁾ AECO refers to Alberta Energy Company; a grade or heating content of natural gas used as benchmark pricing in Alberta, Canada.

The Company has entered into the following physical delivery sales contracts subsequent to September 30, 2018:

Product	Type of contract	Volume	Term	Contract price
Oil	Costless physical oil collar - WTI	500 BBL/day	October 1 to March 31, 2019	Floor price \$65.00 US/BBL Ceiling price \$84.25 US/BBL
Oil	Costless physical oil collar - WTI	500 BBL/day	November 1 to December 31, 2018	Floor price \$70.00 US/BBL Ceiling price \$79.50 US/BBL

11. SUBSEQUENT EVENTS

Dividends

Subsequent to September 30, 2018, the Company declared the following dividends:

Date declared	Record date	\$ per share	Date payable
October 1, 2018	October 15, 2018	0.10	October 31, 2018
November 1, 2018	November 15, 2018	0.10	November 30, 2018