

# Obsidian Energy Announces an Operational Update on Cardium Drilling Program

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CALGARY, April 16, 2019 - [Obsidian Energy Ltd.](#) (TSX &ndash; OBE, NYSE &ndash; OBE.BC) ("Obsidian Energy", the "Company", "we", "us" or "our") is pleased to announce an operational update on our Cardium drilling program.

"While still in the early days of my tenure as Interim President and CEO of Obsidian Energy, I continue to be excited by the high caliber of our Cardium program and the future for long term growth. We continued to march through our development program delivering volumes as expected, on time, and on budget. Given the vast inventory of similar locations in Willesden Green and throughout our Cardium properties, we see years of compelling repeatable development campaigns to come. We are examining every facet of the business to ensure we are always making improvements, including a continual review of our capital allocation, cost structure, and portfolio composition." commented Michael Faust, Interim President and CEO.

## Continued Cardium Success

After proving the viability of a quick cycle, light oil, primary production campaign in early 2018, we began a dedicated execution program starting in July 2018 and carrying through to break-up in March 2019. All 19 wells have now been completed and are on production. These wells continue to perform as expected, demonstrating the repeatability of our development style as we drill the first of several core Cardium areas. The average drill, complete, equip, and tie-in costs of all 19 wells came in at \$3.8 million per well and without any safety or environmental incidents.

The 14 wells drilled in 2018 averaged initial production rates over the first 30 days of 540 boe per day and 87% oil. The 2019 portion of that program included five wells, the last three of which came on production in the past week. These three wells are showing extremely robust initial production rates, with the pad averaging single day peak rates of over 1,000 boe per day per well.

The Company will resume drilling of its fast cycle primary development program in the Cardium following spring break-up in July 2019 and plan to continue through to March 2020. All of our planned 2019 locations will be fully licensed and drill ready in the very near future. We remain committed to execute our program and keep our spend within Funds Flow from Operations, and therefore will remain flexible and responsive to changes in commodity price.

## Oil and Gas Information Advisory

Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

## Forward-Looking Statements

Certain statements contained in this document constitute forward-looking statements or information (collectively "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "budget", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target" and similar words suggesting

future events or future performance. In addition, statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. Please note that initial production and or peak rates are not necessarily indicative of long-term performance or ultimate recovery. In particular, this document contains forward-looking statements pertaining to, without limitation, the following: the potential for long term growth and inventory for repeatable compelling development; the expected full cycle IRRs; when we expect to resume drilling and duration; that all of our planned 2019 locations will be fully licensed and drill ready; and that we remain committed to execute our program and keep our spend within Funds Flow from Operations and remain flexible and responsive to changes in commodity prices.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things that we do not dispose of any material producing properties; the impact of the Alberta Government curtailment; our ability to execute our long-term plan as described herein and in our other disclosure documents and the impact that the successful execution of such plan will have on our Company and our shareholders; that the current commodity price and foreign exchange environment will continue or improve; future capital expenditure levels; future crude oil, natural gas liquids and natural gas prices and differentials between light, medium and heavy oil prices and Canadian, WTI and world oil and natural gas prices; future crude oil, natural gas liquids and natural gas production levels; future exchange rates and interest rates; future debt levels; our ability to execute our capital programs as planned without significant adverse impacts from various factors beyond our control, including weather, infrastructure access and delays in obtaining regulatory approvals and third party consents; our ability to obtain equipment in a timely manner to carry out development activities and the costs thereof; our ability to market our oil and natural gas successfully to current and new customers; our ability to obtain financing on acceptable terms, including our ability to renew or replace our syndicated bank facility and our ability to finance the repayment of our senior notes on maturity; and our ability to add production and reserves through our development and exploitation activities.

Although we believe that the expectations reflected in the forward-looking statements contained in this document, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the forward-looking statements contained herein will not be correct, which may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: the possibility that we will not be able to continue to successfully execute our long-term plan in part or in full, and the possibility that some or all of the benefits that we anticipate will accrue to our Company and our securityholders as a result of the successful execution of such plans do not materialize; the possibility that we are unable to execute some or all of our ongoing asset disposition program on favourable terms or at all; general economic and political conditions in Canada, the U.S. and globally, and in particular, the effect that those conditions have on commodity prices and our access to capital; industry conditions, including fluctuations in the price of crude oil, natural gas liquids and natural gas, price differentials for crude oil and natural gas produced in Canada as compared to other markets, and transportation restrictions, including pipeline and railway capacity constraints; fluctuations in foreign exchange or interest rates; unanticipated operating events or environmental events that can reduce production or cause production to be shut-in or delayed (including extreme cold during winter months, wild fires and flooding); and the other factors described under "Risk Factors" in our Annual Information Form and described in our public filings, available in Canada at [www.sedar.com](http://www.sedar.com) and in the United States at [www.sec.gov](http://www.sec.gov). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update any forward-looking statements. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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