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[Bonavista Energy Corp.](#) (TSX:BNP) ("Bonavista") announces today that it has entered into an agreement to sell, on a bought deal basis to a syndicate of underwriters, 29,851,000 common shares (the "Common Shares") at \$3.35 per Common Share to raise gross proceeds of approximately \$100 million (the "Offering"). The syndicate of underwriter (the "Underwriters") will be co-led by CIBC Capital Markets and TD Securities Inc.

Bonavista has also granted the Underwriters an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days following closing, to purchase up to an additional 15% of the Common Shares at the same offering price. If the Over-Allotment Option is fully exercised, the total gross proceeds to Bonavista will be approximately \$115 million.

The Offering will be completed by way of a short form prospectus in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and by way of private placement in the United States to Qualified Institutional Buyers pursuant to Rule 144A. The Offering is expected to close on June 16, 2016, subject to obtaining required regulatory approvals.

The net proceeds of the Offering will be used initially to reduce Bonavista's bank indebtedness. Given the strong results of Bonavista's drilling program and significant efficiencies achieved year-to-date, this financing allows Bonavista the latitude to expand its capital program upon the realization of the futures commodity price forecast. Bonavista will remain focused on consolidation opportunities within our core areas, while rationalizing non-core assets to further enhance financial flexibility.

This press release is not an offer of the Common Shares for sale in the United States. The Common Shares may not be offered or sold in the United States absent registration or an exemption from registration. The Common Shares will not be publicly offered in the United States. The Common Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws.

Bonavista is a mid-sized dividend paying energy corporation focused on the efficient development of high quality oil and natural gas assets while providing sustainable value to shareholders.

Note Regarding Forward Looking Statements

Except for the historical and present factual information contained herein, the matters set forth in this news release, including words such as "expects", "projects", "plans" and similar expressions, are forward-looking information that represents management of Bonavista's internal projections, expectations or beliefs concerning, among other things, the completion of the Offering, including timing thereof and use of net proceeds therefrom as well as Bonavista's future plans and focus. The forward-looking statements contained in this news release are based on certain assumptions, which management of Bonavista considers reasonable, and include, among others, expectation that the Offering will be completed, substantially on terms and within the timeframe described herein. The forward-looking statements contained in this news release necessarily involve known and unknown risks and uncertainties, which may cause Bonavista's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, Bonavista's failure to complete the Offering, on the terms and within the timeframe described herein or at all, and those described in Bonavista's filings with the Canadian and U.S. securities authorities. Accordingly, holders of Bonavista common shares and potential investors are cautioned that events or circumstances could cause results to differ materially from those predicted.

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