Bonavista Obtains Interim Order and Announces Meeting Details In Connection With Recapitalization Transaction

20.06.2020 | Newsfile

Calgary, June 19, 2020 - Bonavista Energy Corp. (TSX: BNP) ("Bonavista" or the "Company") announced today that the Court of Queen's Bench of Alberta (the "Court") has issued an interim order (the "Interim Order") authorizing, among other things, the holding of the following meetings (collectively, the "Meetings"): (i) a meeting (the "Senior Noteholders' Meeting") of holders of the Company's outstanding: (i) 4.37% Notes due November 2, 2020; (ii) 4.25% Notes due October 25, 2021; (iii) 4.47% Notes due November 2, 2022; (iv) 3.68% Notes due May 23, 2023; (v) 4.09% Notes due May 23, 2023; (vi) 3.80% Notes due April 25, 2025; and (vii) 3.78% Notes due May 23, 2025 (collectively, the "Senior Notes"); and (ii) a meeting (the "Shareholders' Meeting") of holders (the "Existing Shareholders") of the Company's common shares (the "Common Shares") and exchangeable shares (the "Exchangeable Shares" and collectively, the "Existing Shares"), in each case to consider and vote upon a corporate plan of arrangement (the "Plan of Arrangement") under section 192 of the Canada Business Corporations Act (the "CBCA") to implement the previously announced proposed recapitalization transaction (the "Recapitalization Transaction").

As previously announced by the Company in its news release issued earlier today (the "Transaction Announcement"), the proposed Recapitalization Transaction would on implementation, among other things, (i) reduce the Company's total outstanding debt by approximately \$482.6 million (representing 56% of the Company's current outstanding debt), (ii) reduce cash interest payments by approximately \$16 million annually (representing 43% of the Company's current annual cash interest payments); and (iii) strengthen the Company's overall financial position. Additional key terms of the Recapitalization Transaction are described in the Transaction Announcement.

To date, the proposed Recapitalization Transaction has the support of holders of 100% of the Senior Notes and holders of approximately 21% of the Existing Shares that have agreed to vote in favour of the Plan of Arrangement pursuant to support agreements entered into with the Company.

Correction to Transaction Announcement

The Company wishes to make a correction to the Transaction Announcement. The Transaction Announcement incorrectly stated the Company's pro forma debt obligations under the New Second Lien Notes and New Convertible PIK Notes (as such terms are defined in the Transaction Announcement). As a result of the Recapitalization Transaction, the Company's debt obligations upon implementation of the Recapitalization Transaction should instead be as follows:

Current Debt Pro Forma Debt	
(\$mm)	(\$mm)
\$32.5	n/a
\$888.4	n/a
∕ n/a	\$6
n/a	\$250
n/a	\$125
\$920.9	\$381
	(\$mm) \$32.5 \$888.4 / n/a n/a n/a

This correction does not change any other information reported in the Transaction Announcement.

The Meetings and Voting Matters

The Meetings in respect of the Plan of Arrangement are scheduled to be held on July 30, 2020, in a

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virtual-only format conducted via live audio online webcast. Pursuant to the Interim Order, the Senior Noteholders' Meeting is scheduled to begin at 10:00 a.m. (Calgary time), and the Shareholders' Meeting is scheduled to begin at 10:30 a.m. (Calgary time). The Company has cancelled its previously announced annual meeting of shareholders scheduled for June 25, 2020 and will instead be holding its annual meeting concurrently with the Shareholders' Meeting.

The record date (the "Record Date") for voting at the Meetings is 5:00 p.m. (Calgary time) on June 29, 2020.

Holders of the Senior Notes (the "Senior Noteholders") as at the Record Date will each be entitled to vote on the Plan of Arrangement at the Senior Noteholders' Meeting based on one vote per US\$1,000 of principal amount of Senior Notes held by the applicable Senior Noteholder as at the Record Date (for voting purposes, any Senior Notes denominated in Canadian dollars shall be converted into U.S. Dollars based on the USD/CAD exchange rate posted by the Bank of Canada on May 22, 2020). Holders of Common Shares as at the Record Date will be entitled to vote on the Plan of Arrangement at the Shareholders' Meeting based on one vote per Common Share held as at the Record Date. Holders of Exchangeable Shares will be entitled to that number of votes at the Shareholders' Meeting equal to the number of Exchangeable Shares such holder owns multiplied by the exchange ratio in effect on the Record Date (rounded to the nearest whole number). As of the date hereof, the exchange ratio for the Exchangeable Shares is 1.51204.

To be approved at the applicable Meetings, the Plan of Arrangement requires the affirmative vote of at least 66⅔% of the votes cast at each of such Meetings. In order for Existing Shareholders, other than G2S2 Capital Inc. ("G2S2"), to receive cash for their Existing Shares under the Plan of Arrangement pursuant to the Cash Election Option (as defined below), the resolution approving the Cash Election Option (the "Shareholders' Cash Arrangement Resolution") must be passed at the Shareholders' Meeting by an affirmative vote of: (i) at least 66 2/3% of the votes cast in respect of the Shareholders' Cash Arrangement Resolution at the Shareholders' Meeting; and (ii) a simple majority of the votes cast by Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting excluding the votes required to be excluded for majority of the minority approval at the Shareholders' Meeting pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions.

As noted above, holders of 100% of the Senior Notes and approximately 21% of the Existing Shares have agreed to vote in favour of the Plan of Arrangement pursuant to support agreements entered into with the Company.

The deadline for Senior Noteholders and Existing Shareholders to submit their proxies or voting instructions in order to vote on the Plan of Arrangement and other items to be considered at the applicable Meeting is 5:00 p.m. (Calgary time) on July 28, 2020 (the "Voting Deadline").

Banks, brokers or other intermediaries (each, an "Intermediary") that hold the Existing Shares on an Existing Shareholder's behalf may have internal deadlines that require Existing Shareholder to submit their votes by an earlier date in advance of the Voting Deadline, as applicable, and may have internal requirements for the submission of voting instructions. Existing Shareholders are encouraged to contact their Intermediaries directly to confirm any such internal deadline or voting instruction requirements.

Information Circular

The management information circular for the Meetings (the "Circular") will contain, among other things, information regarding procedures for voting on the Plan of Arrangement pursuant to the terms of the Plan of Arrangement and the Interim Order, as well as other background and material information regarding the Recapitalization Transaction. The Company expects the mailing of the Circular to begin on or about July 6, 2020. The Circular, the forms of proxies, the voting information form and the letters of transmittal will also be available on Bonavista's website at www.bonavistaenergy.com; and/or under Bonavista's SEDAR profile at www.sedar.com.

Any questions or requests for further information regarding voting at the Meetings should be directed to Odyssey Trust Company by: (i) telephone, toll-free in North America at 1-888-290-1175 or at 1-587-885-0960 outside of North America; or (ii) e-mail to proxy@odysseytrust.com.

Shareholder Approvals

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In connection with the Recapitalization Transaction, it is anticipated that the Company will (i) continue from the Business Corporations Act (Alberta) to the CBCA (the "Federal Continuance") and implement new by-laws of the Company (the "New By-laws") in connection with the Federal Continuance, (ii) reduce the stated capital of its Common Shares (the "Stated Capital Reduction") and (iii) following the implementation of the Recapitalization Transaction, and at the discretion of the board of directors of the Company, continue back from the CBCA into the Province of Alberta under the Business Corporations Act (Alberta) (the "Alberta Continuance"). At the Shareholders' Meeting, Existing Shareholders will be asked to consider and vote in respect of the Federal Continuance (including the approval of the New By-laws), the Stated Capital Reduction, the Alberta Continuance and certain other annual matters. The Federal Continuance (including approval of the New By-laws), the Stated Capital Reduction and the Alberta Continuance require the affirmative vote of at least 66⅔% of the votes cast at the Shareholders' Meeting.

At the Shareholders' Meeting, Existing Shareholders will also be asked to consider and vote in respect of the Plan of Arrangement. To be approved at the Shareholders' Meeting, the Plan of Arrangement requires the affirmative vote of at least 66⅔% of the votes cast at the Shareholders' Meeting. In addition, under the rules of the Toronto Stock Exchange ("TSX"), shareholder approval is required in connection with the Recapitalization Transaction as it is expected to (i) "materially affect control" of the Company by creating a holding in excess of 20% of the Company's voting securities, and (ii) result in dilution exceeding 25% of the outstanding Common Shares (the "TSX Plan Approval Matters"). By voting in respect of the Plan of Arrangement, Existing Shareholders will also be voting in respect of the TSX Plan Approval Matters.

In addition, all Existing Shareholders, other than G2S2, will, pursuant to the terms of the Plan of Arrangement, have the option to exchange their Existing Shares for \$0.05 in cash for each pre-consolidation Common Share to be paid by G2S2, with such exchanged Existing Shares transferred to G2S2 (which will then own approximately 7% of the Common Shares outstanding immediately following implementation of the Recapitalization Transaction, on a non-diluted basis) (the "Cash Election Option").

In order for all Existing Shareholders, other than G2S2, to receive cash for their existing Shares under the Plan of Arrangement pursuant to the Cash Election Option, the Shareholders' Cash Arrangement Resolution must be passed, with or without variation, at the Shareholders' Meeting by an affirmative vote of: (i) at least two-thirds (66 2/3%) of the votes cast in respect of the Shareholders' Cash Arrangement Resolution at the Shareholders' Meeting in person or by proxy by the Existing Shareholders; and (ii) a simple majority of the votes cast by Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting excluding the votes required to be excluded for majority of the minority approval at the Shareholders' Meeting pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions.

If the Shareholders' Cash Arrangement Resolution is passed, then all of the Existing Shareholders, other than G2S2, shall exchange their Existing Shares for \$0.05 in cash for each pre-consolidation Common Share to be paid by G2S2, with such exchanged Existing Shares transferred to G2S2 (which will then own approximately 7% of the Common Shares outstanding immediately following implementation of the Recapitalization Transaction, on a non-diluted basis); If the Shareholders' Cash Arrangement Resolution is not passed, then upon the completion of the Recapitalization Transaction the Existing Shareholders shall retain their Existing Shares, subject to, among other things, the exchange of the Exchangeable Shares for Common Shares on the basis of 1.51204 Common Shares for every one Exchangeable Share and a share consolidation of one Common Share in exchange for approximately 58.98 existing Common Shares to be implemented as part of the Recapitalization Transaction, such that Existing Shareholders will own approximately 7% of the Common Shares outstanding immediately following implementation of the Recapitalization Transaction, on a non-diluted basis. The Company is required to apply to have the post-consolidation Common Shares delisted from the TSX in connection with the closing of the Recapitalization Transaction and the delisting is a condition of the Senior Noteholders to the completion of the Recapitalization Transaction.

Court Approval and Implementation

If the Plan of Arrangement is approved by the requisite majorities at the Meetings, the Company and 12102129 Canada Inc. (collectively, the "Applicants") will attend a hearing before the Court, currently scheduled for August 4, 2020, to seek a court order approving the Plan of Arrangement (the "Final Order").

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As part of the Court approval of the Recapitalization Transaction, the Applicants will seek a permanent waiver in favour of Bonavista, Bonavista Energy Inc., Bonavista Oil & Gas, Bonavista Energy LNG Inc. and 12102129 Canada Inc. (collectively, the "Bonavista Group") of (i) any and all defaults resulting from the commencement of their CBCA proceedings (the "CBCA Proceedings") or the steps or transactions related to the CBCA Proceedings or Recapitalization Transaction, and (ii) third party change of control provisions that may be triggered by the implementation of the Recapitalization Transaction. At this time, the Interim Order provides for a stay of proceedings in favour of the Bonavista Group in respect of any defaults resulting from their commencement of or involvement in the CBCA Proceedings, the steps contemplated by or related to the CBCA Proceedings or the proposed Recapitalization Transaction, the non-payment of any amounts due and payable in respect of the Senior Notes, or any cross-defaults relating to the foregoing, subject to the terms of the Interim Order.

Completion of the Recapitalization Transaction will be subject to, among other things, approval of the Plan of Arrangement by the requisite majorities of the Senior Noteholders and the Existing Shareholders at the Meetings to be held on July 30, 2020, such other approvals as may be required by the Court or the TSX, other applicable regulatory approvals, the issuance of the Final Order approving of the Plan of Arrangement by the Court, and the satisfaction or waiver of applicable conditions precedent. Subject to the receipt of all requisite approvals and the satisfaction or waiver of the other conditions to completion of the Recapitalization Transaction, the Company is working towards completing the Recapitalization Transaction in early to mid-August, 2020. Upon implementation, the Plan of Arrangement would bind all Senior Noteholders and Existing Shareholders.

Additional information in connection with the implementation of the Recapitalization Transaction and the CBCA Proceedings will be made publicly available by the Company and certain additional documents relating to the Recapitalization Transaction and/or and the CBCA Proceedings will be posted on the Company's website (www.bonavistaenergy.com).

The Company's legal advisor in connection with the Recapitalization Transaction is Bennett Jones LLP and its financial advisor is FTI Consulting, Inc.

The securities to be issued pursuant to the Recapitalization Transaction have not been and will not be registered under the U.S. Securities Act of 1933 (the "1933 Act"), or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act. The securities to be issued pursuant to the Recapitalization Transaction will be issued and distributed in reliance on the exemption from registration set forth in Section 3(a)(10) of the 1933 Act (and similar exemptions under applicable state securities laws).

For further information, please contact:

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or

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FORWARD LOOKING INFORMATION:

Certain information contained in this press release may contain forward looking statements within the meaning of applicable securities laws. The use of any of the words "continue", "plan", "propose", "would", "will", "believe", "expect", "position", "anticipate", "improve", "enhance" and similar expressions are intended

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to identify forward- looking statements. More particularly and without limitation, this document contains forward-looking statements concerning; key terms of the Recapitalization Transaction and the effect of its implementation on the Senior Noteholders, the Existing Shareholders and the Company; stakeholder support for the Recapitalization Transaction; the Company's intention to reduce its debt and annual interest payments through the implementation of the Recapitalization Transaction pursuant to the Plan of Arrangement; the Company's intention to realign its capital structure and the timing thereof; the capital structure of the Company following the implementation of the Recapitalization Transaction; the expected process for and timing of implementing the Recapitalization Transaction; the holding and timing of, and matters to be considered at the Meetings as well as with respect to voting at such Meetings; the deadlines for submitting proxies, voting instructions; the scheduling of the Meetings; the matters to be considered at and voted on the Meetings; the Company's continuance under the CBCA; the reduction of the stated capital of the Common Shares; the Company's continuance under the ABCA; the relief to be sought in the CBCA Proceedings in respect of the Plan of Arrangement; the completion of the Recapitalization Transaction, including with respect to obtaining any necessary approvals and satisfying any conditions and the expected timing thereof; the public posting of materials and information related to the Recapitalization Transaction; and the effect of the Recapitalization Transaction.

Forward-looking statements necessarily involve risks, including, without limitation, risks associated with the ability of the Company to significantly reduce its debt and annual interest payments and the terms of any such reduction; the ability of the Company to realign its capital structure and the timing thereof; the ability of the Company to implement the Recapitalization Transaction on the terms described in this press release and the Transaction Announcement; the ability of the Company to receive all necessary regulatory, court, third party and stakeholder approvals in order to complete the Recapitalization Transaction; the matters to be considered and voted on at the Meetings; the ability of the Company to achieve its financial goals including with respect to any agreement with its debtholders; the ability of the Company to operate in the ordinary course during the CBCA Proceedings, including with respect to satisfying obligations to service providers, suppliers, contractors and employees; the ability of the Company to continue as a going concern; the ability of the Company to continue to realize its assets and discharge its liabilities and commitments; the Company's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Company to stabilize its business and financial condition; the ability of the Company to implement and successfully achieve its business priorities; the ability of the Company to comply with its contractual obligations, including, without limitation, its obligations under debt arrangements; the general regulatory environment in which the Company operates; the tax treatment of the Company and the materiality of any legal and regulatory proceedings; the general economic, financial, market and political conditions impacting the industry and markets in which the Company operates; the ability of the Company to sustain or increase profitability, fund its operations with existing capital and/or raise additional capital to fund its operations; the ability of the Company to generate sufficient cash flow from operations; the impact of competition; the ability of the Company to obtain and retain qualified staff, equipment and services in a timely and efficient manner (particularly in light of the Company's efforts to restructure its debt obligations); and the ability of the Company to retain members of the senior management team, including but not limited to, the officers of the Company.

Events or circumstances may cause actual results to differ materially from those predicted, as a result of the risk factors set out and other known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Bonavista. In addition, forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect and which have been used to develop such statements and information in order to provide stakeholders with a more complete perspective on Bonavista's future operations. Such information may prove to be incorrect and readers are cautioned that the information may not be appropriate for other purposes. Although the Company believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Additional information on these and other factors that could affect Bonavista's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Bonavista's website (www.bonavistaenergy.com). Furthermore, the forward looking statements contained herein are made as at the date hereof and Bonavista does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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