CALGARY, ALBERTA--(Marketwired - Mar 17, 2016) - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX:BNE) ("Bonterra" or "the Company") is pleased to announce its operating and financial results for the year ended December 31, 2015. The related financial statements and notes, as well as management's discussion and analysis (MD&A) for the year ended December 31, 2015, are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on Bonterra's website at www.bonterraenergy.com.

HIGHLIGHTS

As at and for the year ended ($ 000s except $ per share)	December 31, 2015[1]	December 31, 2014	December 31, 2013[3]
FINANCIAL			
Revenue - realized oil and gas sales	197,239	339,694	295,675
Funds flow [5]	117,948	209,665	181,574
Per share - basic	3.61	6.57	6.01
Per share - diluted	3.61	6.54	5.99
Payout ratio	54 %	54 %	55 %
Cash flow from operations	107,871	222,353	173,896
Per share - basic	3.30	6.97	5.76
Per share - diluted	3.30	6.94	5.74
Payout ratio	59 %	51 %	58 %
Cash dividends per share	1.95	3.54	3.33
Earnings before income taxes	1,982	109,593	84,782
Net earnings (loss)	(9,080)	38,761	62,758
Per share - basic	(0.28)	1.21	2.08
Per share - diluted	(0.28)	1.21	2.07
Capital expenditures, net of dispositions	58,498	155,565	119,227
Acquisition	170,430[2]	-	502,258[4]
Total assets	1,183,593	1,042,938	1,000,531
Working capital deficiency	29,804	53,642	35,985
Long-term debt	332,471	154,723	156,764
Shareholders' equity	595,805	635,198	667,641
OPERATIONS			
Oil			
- barrels per day	8,641	8,582	7,787
- average price ($ per barrel)	54.08	90.61	89.26
NGLs			
- barrels per day	733	807	744
- average price ($ per barrel)	20.80	52.26	52.41
Natural gas			
- MCF per day	19,694	22,833	21,954
- average price ($ per MCF)	2.94	4.86	3.46
Total barrels of oil equivalent per day (BOE) [6]	12,656	13,195	12,190

(1) Annual figures for 2015 include the results of a purchase (the Acquisition) of primarily Pembina Cardium oil and gas assets (Pembina Assets) for the period of April 15, 2015 to December 31, 2015. For the year ended December 31, 2015, production includes 260 days for the Pembina Assets and 365 days for the original Bonterra assets.

(2) Represents the Acquisition that closed April 15, 2015 for $170,430,000.

(3) Annual figures for 2013 include the results of a corporate acquisition for the period of January 25, 2013 to December 31, 2013. For the year ended December 31, 2013, production includes 341 days for the corporate acquisition and 365 days for the original Bonterra assets.

(4) Represents a plan of arrangement, where Bonterra completed a corporate acquisition. The Company issued 10,711,405 common shares valued at $502,258,000 which included $10,000,000 of acquired cash.

(5) Funds flow is not a recognized measure under IFRS. For these purposes, the Company defines funds flow as funds provided by operations including proceeds from sale of investments and investment income received excluding the effects of changes in non-cash working capital items and decommissioning expenditures settled.

(6) BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

YEAR IN REVIEW

Bonterra is pleased to report its financial and operational results for the year ended December 31, 2015. Despite an extremely challenging commodity price environment, Bonterra continued to realize operational success in 2015, which reflects the high-quality, low-risk and resilient nature of the Company's asset base.

2015 Highlights

- Generated funds flow of $117.9 million ($3.61 per share) vs. $209.7 million ($6.57 per share) in the same period in 2014, due to the significant decline in commodity prices year over year;
- Paid out $1.95 per share in cash dividends to shareholders in 2015, resulting in a payout ratio of 54 percent of funds flow;
- Average annual production of 12,656 BOE per day, 4 percent lower than 2014 volumes of 13,195 BOE per day;
- Drilled 20 gross operated (16.7 net) and six gross (0.8 net) non-operated horizontal wells with a 100% success rate;
- Achieved significant cost reductions during the year, including:
    - Capital costs per well reduced by 27% from 2014;
    - Production costs on a per BOE basis reduced by 14 percent to $11.95 per BOE in 2015 from $13.89 per BOE in 2014;
    - General and administrative costs reduced by 32 percent to $7.2 million in 2015 from $10.7 million in 2014;
- Completed a $172 million strategic acquisition of Cardium-focused oil and gas assets in the Pembina area of Alberta and complementary to Bonterra's existing operations, adding approximately 1,700 BOE per day of high-netback, low decline, conventional oil and natural gas liquids production;
- Increased proved plus probable (P+P) reserves by 13 percent to 90.6 mmboe (73 percent oil and liquids), and grew P+P reserves on a fully diluted per share basis to 2.78 BOE per share, an increase of 11 percent compared to 2.50 BOE per share in 2014;
- Increased proved reserves by 13 percent to 70.7 mmboe through the addition of 7.9 mmboe, replacing 272 percent of production; and
- Reported a reserve life index at year end 2015 of approximately 20 years on a P+P basis, 16 years on a total proved basis, and 8 years on a proved developed producing (PDP) basis using Bonterra's 2015 average production.

The Company's annual production volumes averaged 12,656 BOE per day, consistent with guidance of 12,600 to 12,900 BOE per day, on a capital expenditure program that was over 60% lower compared to 2014. Capital efficiencies continued to improve through 2015 due to enhanced operational efficiencies from a combination of new completions techniques, pad drilling, testing different horizontal lateral lengths, and well spacing optimization, combined with declining industry service costs. The Company remains committed to further efficiency improvements and continued cost reduction opportunities across the organization.

In addition to cost reduction initiatives, Bonterra took steps to support ongoing sustainability and balance sheet strength by reducing the monthly dividend to $0.10 per share, and setting the 2016 capital budget at a modest $40 million, which is expected to hold production flat. Balancing spending with funds flow positions Bonterra to positively respond should there be a sustained improvement in commodity prices. As funds flow increases, the Company could ramp up the capital program, reduce debt, increase dividends or some combination thereof.

Despite strong operational performance, Bonterra experienced production impacts caused by non-operated facility turnarounds, oil apportionments, third party gas capacity and pipeline restrictions of approximately 590 BOE per day. Further, Bonterra made the strategic decision to preserve asset value and voluntarily shut-in production of approximately 510 BOE per day due to extremely weak commodity prices. These factors collectively reduced annual volumes by approximately 1,100 BOE per day. However, some of the Company's restricted production was reactivated in later 2015 and early 2016 after redirecting solution gas to alternative gas plants. In addition, with firm service commitments secured on the TransCanada Pipeline system, Bonterra can now move its gas and produce incremental oil that had been behind-pipe which will support 2016 volumes. During the fourth quarter of 2015, the Company also assumed operatorship of a gas plant in the Pembina Cardium area in which it has an ownership interest, which is anticipated to alleviate future potential gas capacity issues and reduce processing costs.

The Alberta Provincial Government's proposed Modernized Royalty Framework ("MRF") was released on January 29, 2016. The MRF is scheduled to take effect January 1, 2017, with key highlights including the provision of royalty incentives for the efficient development of conventional crude oil, natural gas, and NGL resources; maintaining the royalty structure of wells drilled prior to 2017 for a 10 year period after MRF is implemented; replacing royalty credits or holidays on conventional wells with a post-revenue minus cost royalty rate based on commodity prices; reducing royalty rates for mature wells; and ensuring a neutral internal rate of return for any given play compared to the current royalty framework. Although the industry initially regarded the MRF as neutral to slightly positive, until all of the details are released, Bonterra remains unable to confirm whether the MRF will have a material impact on its results of operations going forward.

Outlook

With continued price volatility and uncertainty for oil to date in 2016, the Company will revisit capital spending and dividend levels on a monthly basis. Based on the current capital budget of $40 million, Bonterra estimates 2016 annual production will average approximately 12,500 BOE per day. However, this production target and capital spending level will be reviewed regularly in the context of a changing commodity price environment. With its very low corporate decline rate, Bonterra requires minimal capital to hold production volumes flat and can elect to preserve value by reducing capital until prices improve.

Into 2016 the Company's operational focus will be on improving efficiencies through increased pad drilling, implementing innovative completions techniques to enhance well performance, and an ongoing focus on cost reductions. Prior year investments in infrastructure enable the tie-in of all gas to 100% Bonterra' owned and operated facilities, which will further minimize capital requirements and help lower operating costs.

Despite the challenging market conditions endured over the past 12 to 18 months, Bonterra has continued to advance its strategy of maintaining financial flexibility while positioning the Company to achieve long-term growth in production, reserves and cash flow per share while delivering returns to shareholders. The future for Bonterra continues to be positive over the long term and the Company will continue to manage itself conservatively to withstand the challenging commodity price environment.

Bonterra Energy Corp. is a conventional oil and gas corporation with operations in Alberta, Saskatchewan and British Columbia. The shares are listed on The Toronto Stock Exchange under the symbol "BNE".

Cautionary Statements

This summarized news release should not be considered a suitable source of information for readers who are unfamiliar with Bonterra Energy Corp. and should not be considered in any way as a substitute for reading the full report. For the full report, please go to www.bonterraenergy.com.

Use of Non-IFRS Financial Measures

Throughout this release the Company uses the terms "payout ratio" and "cash netback" to analyze operating performance, which are not standardized measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures are commonly utilized in the oil and gas industry and are considered informative by management, shareholders and analysts. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies.

The Company calculates payout ratio by dividing cash dividends paid to shareholders by cash flow from operating activities, both of which are measures prescribed by IFRS which appear on our statements of cash flows. We calculate cash netback by dividing various financial statement items as determined by IFRS by total production for the period on a barrel of oil equivalent basis.

Forward Looking Information

Certain statements contained in this release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this release includes, but is not limited to: expected cash provided by continuing operations; cash dividends; future capital expenditures, including the amount and nature thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

Frequently recurring terms

Bonterra uses the following frequently recurring terms in this press release: "bbl" refers to barrel, "NGL" refers to Natural gas liquids, "MCF" refers to thousand cubic feet and "BOE" refers to barrels of oil equivalent. Disclosure provided herein in respect of a BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 MCF: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Numerical Amounts

The reporting and the functional currency of the Company is the Canadian dollar.

The TSX does not accept responsibility for the accuracy of this release.

Contact

Bonterra Energy Corp.
George F. Fink
Chairman and CEO
(403) 262-5307
(403) 265-7488
Bonterra Energy Corp.
Robb D. Thompson
CFO and Secretary
(403) 262-5307
(403) 265-7488
Bonterra Energy Corp.
Adrian Neumann
COO
(403) 262-5307
(403) 265-7488
info@bonterraenergy.com
www.bonterraenergy.com