Obsidian Energy

Corporate Presentation

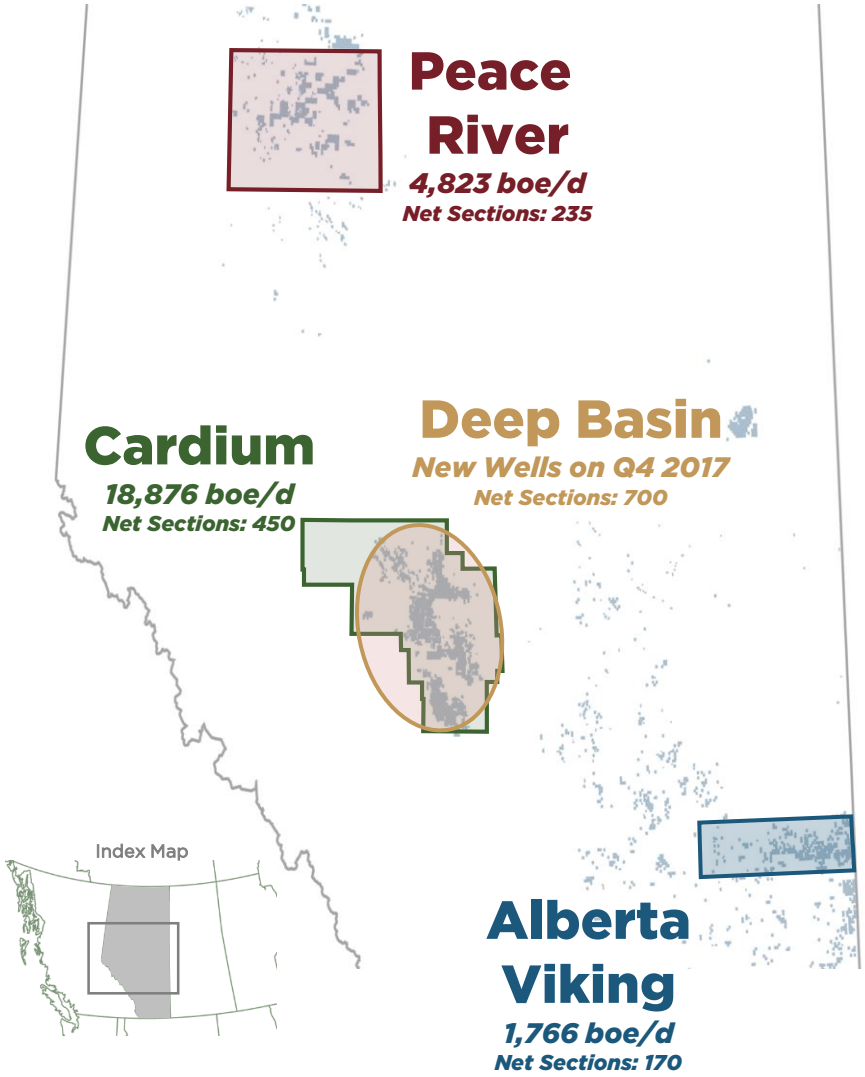
January 2018

Important Notices to the Readers

This presentation should be read in conjunction with the Company's audited consolidated financial statements, management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2017. All dollar amounts contained in this presentation are expressed in millions of Canadian dollars unless otherwise indicated.

Certain financial measures included in this presentation do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore are considered non-generally accepted accounting practice ("non-GAAP") measures; accordingly, they may not be comparable to similar measures provided by other issuers. This presentation also contains oil and gas disclosures, various industry terms, and forward-looking statements, including various assumptions on which such forward-looking statements are based and related risk factors. Please see the Company's disclosures located in the Appendix at the end of this presentation for further details regarding these matters.

Obsidian Energy Corporate Profile



Legacy Asset Production of 4,701 boe/d

Corporate Metrics

Share Price *Dec. 31st, 2017*	$/share	$1.56
OBE-TSX Daily Volume % of shares outstanding	MM	0.9 0.2%
OBE -NYSE Daily Volume % of shares outstanding	MM	1.0 0.2%
Market Capitalization	$MM	$787
Net Debt	$MM	$410
Enterprise Value	$MM	$1,197

Q3 2017 Operating Metrics

Production	boe/d	30,166
% Liquids	%	62%
Operating Costs	$/boe	$12.26
Netback	$/boe	$18.70
2017 Capital Budget	$MM	$160

Operating cost are net of carry and netbacks include hedging

A Balanced Portfolio with Significant Optionality

LOW DECLINE BASE PRODUCTION & STABLE CASH FLOW

BALANCED SHORT & INTERMEDIATE CYCLE DEVELOPMENT

LIQUIDS WEIGHTED, SUSTAINABLE GROWTH

Cardium

Meaningful Free Cash Flow Generation

Waterflood Approach with Primary Optionality

Peace River

Manufactured Cold Flow, High Rate & Low Cost

Multiple Egress Options

Alberta Viking

Short Cycle Investment to Toggle Growth

Industry Leading Initial Production Rates

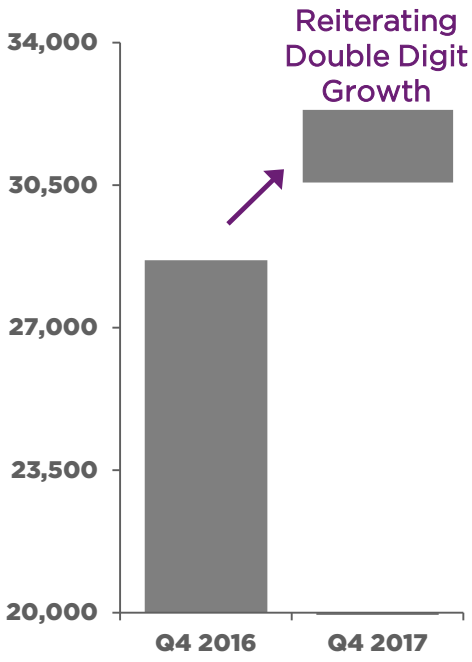
Deep Basin

Multi Horizon Potential

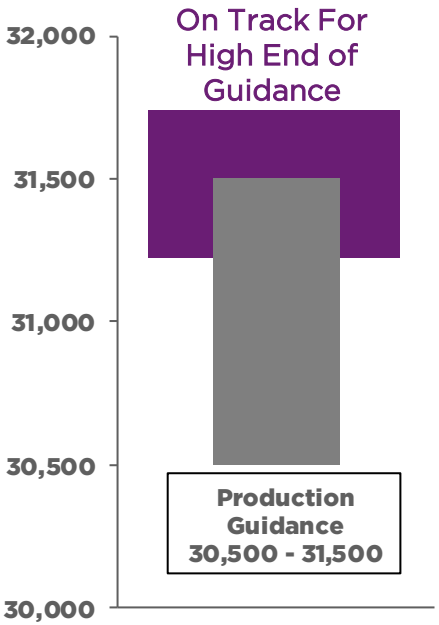
Focus Highly Economic Mannville Development

On Track to Meet all 2017 Guidance Metrics

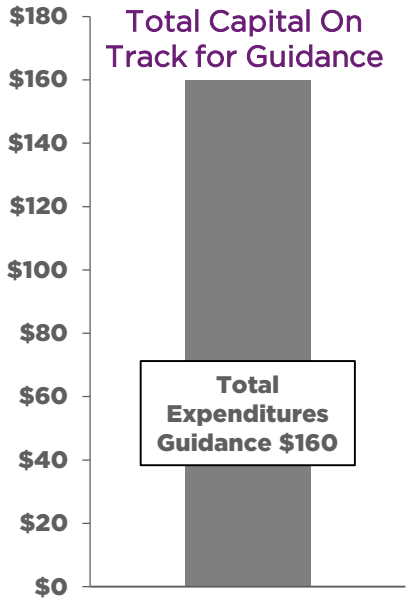
Q4 A&D Adj. Production
boe/d



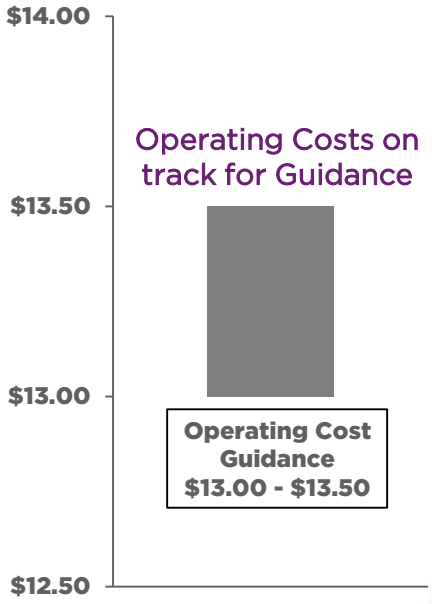
FY 2017 Production
boe/d



Total Expenditures
$MM



Operating Expenses
$/boe



*Net of Peace River Carry

 See end notes

See end notes

Low Decline Rate Underpins Growth

16% Corporate Base Production Decline Rate

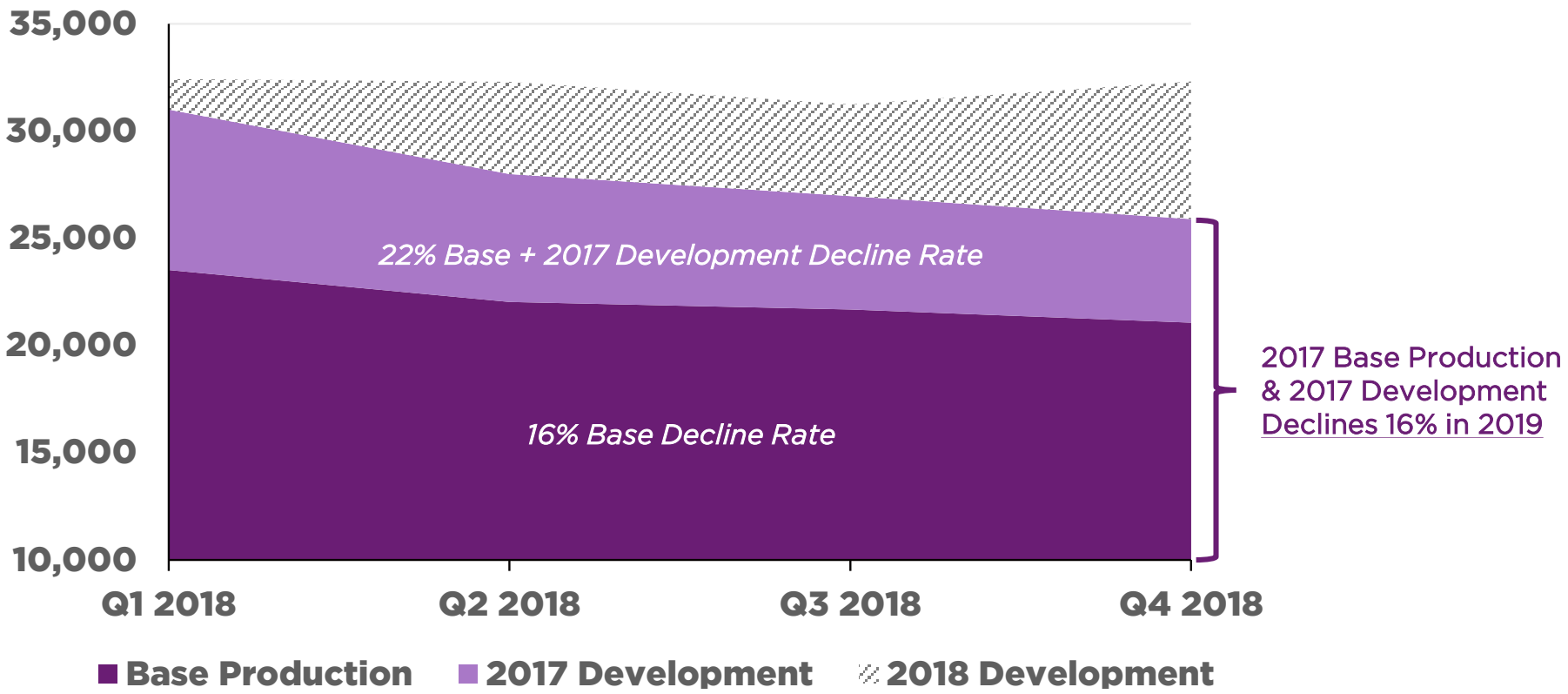
Cardium Asset Under Historical Waterflood

Capital Efficiencies of $6,500/boe/d on 2017 Optimization Projects

Optimization of existing base wellbores

Corporate Base Production

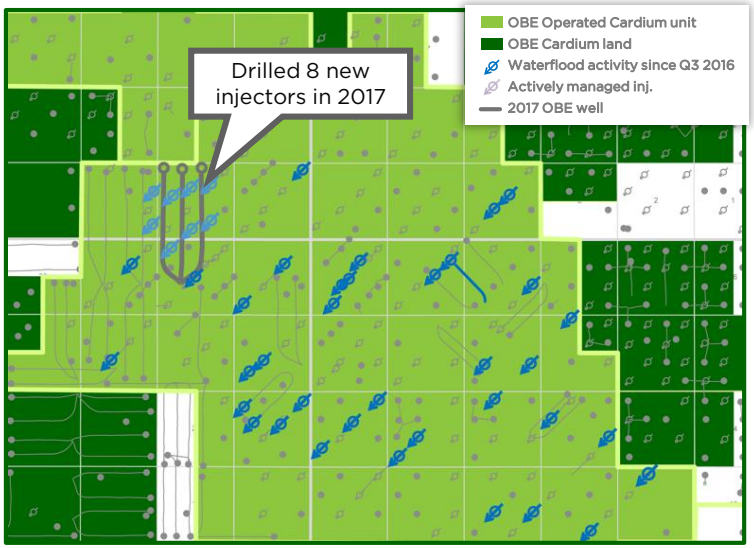
boe/d



Waterflood Performance is Impressive

- Cardium Decline Rate lowered from approximately 20% to 5%
- Waterflood and base optimization projects initiated in 2016

Pembina Waterflood Activity



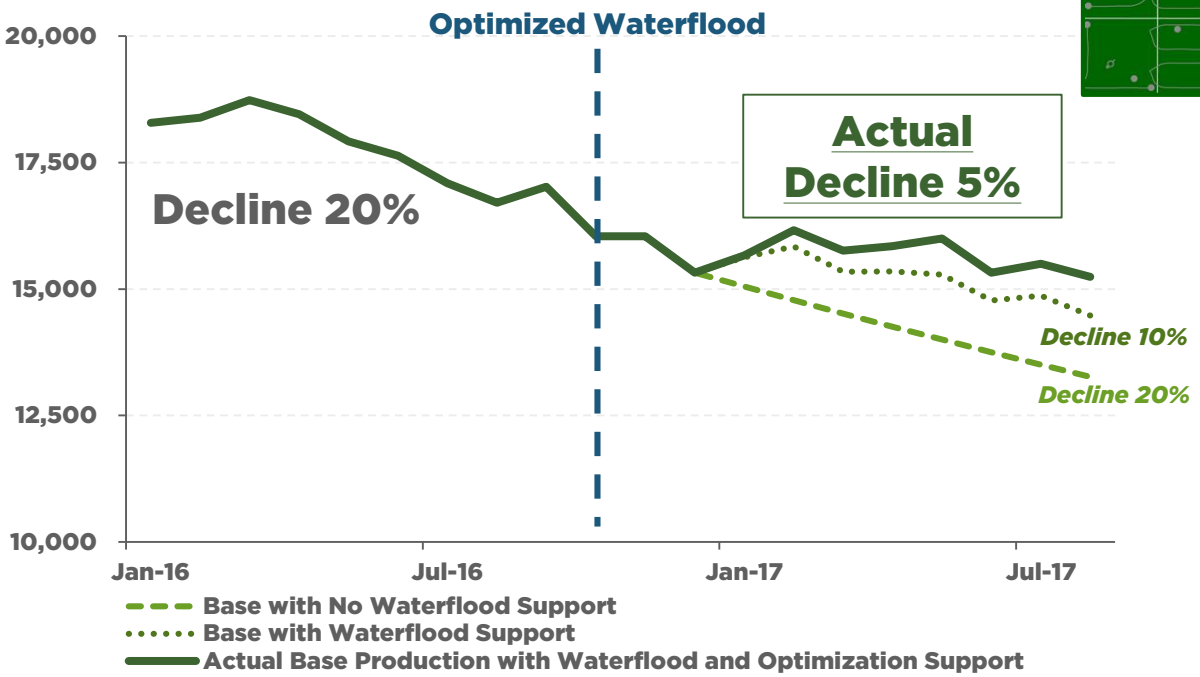
Converted and reactivated 37 wells in PCU #9 since Q3 2016

Drilled 8 new injectors to support 2017 new drills

Actively managing more than 120 existing injectors

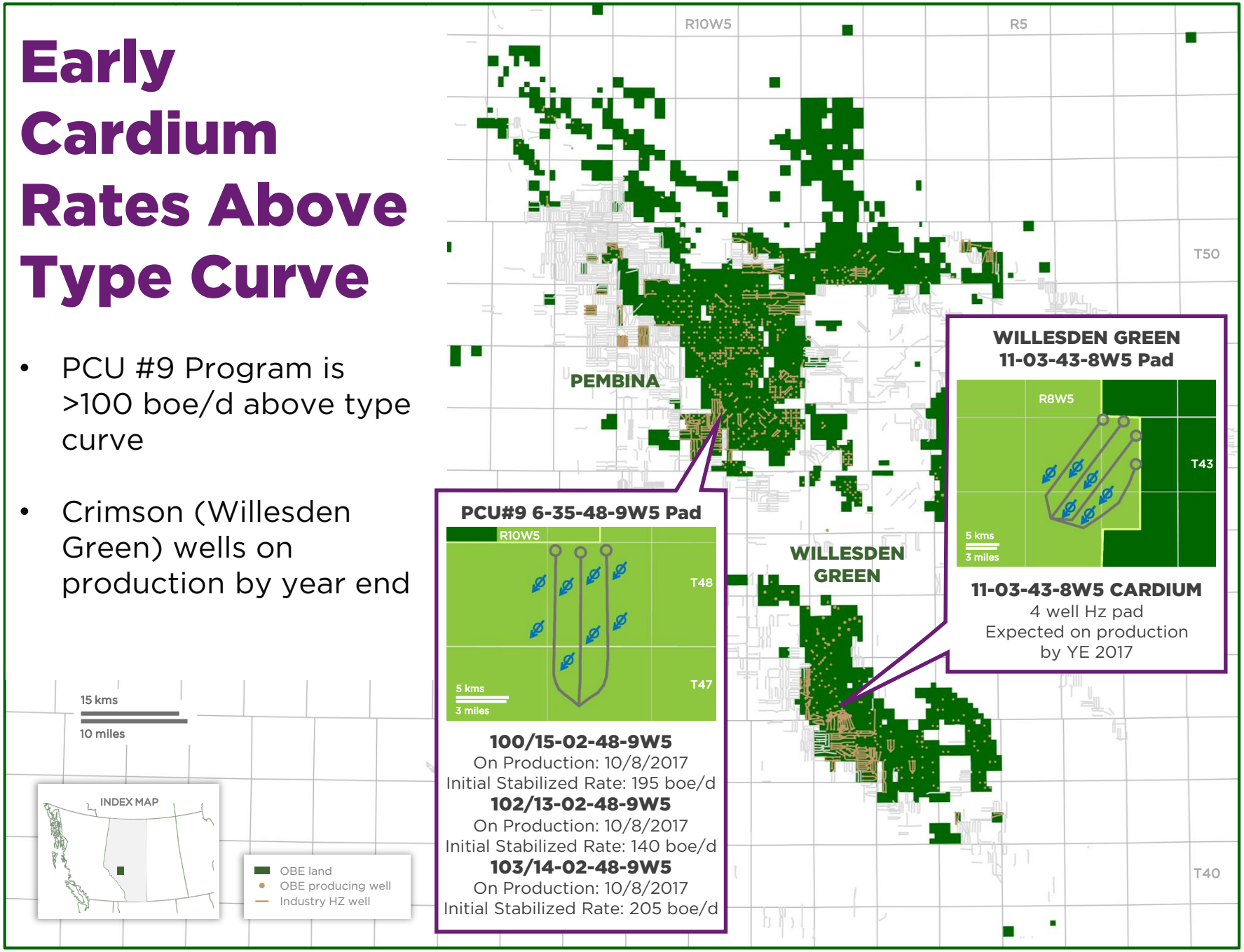
Cardium Base Production Decline

boe/d



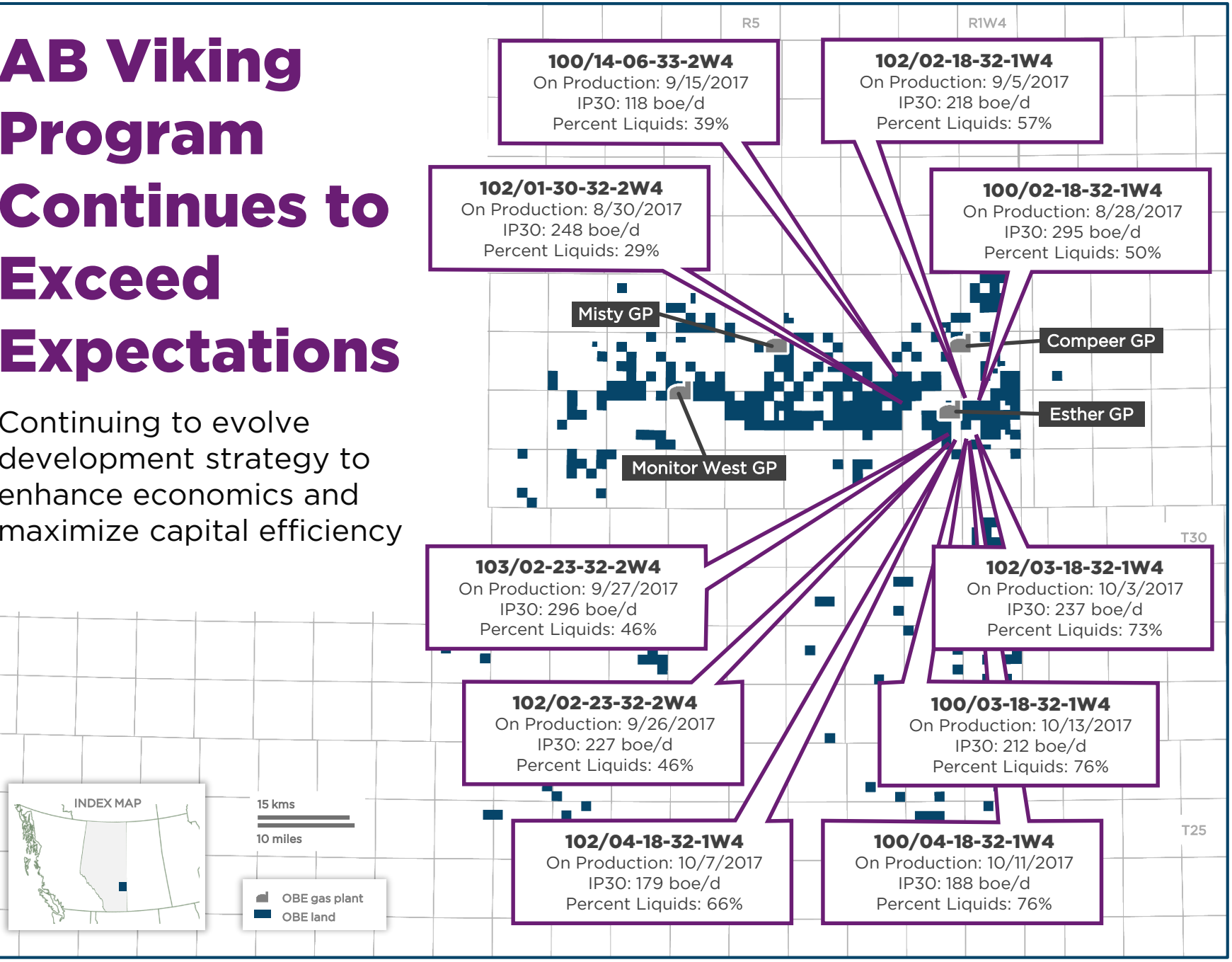
Early Cardium Rates Above Type Curve

- PCU #9 Program is >100 boe/d above type curve
- Crimson (Willesden Green) wells on production by year end



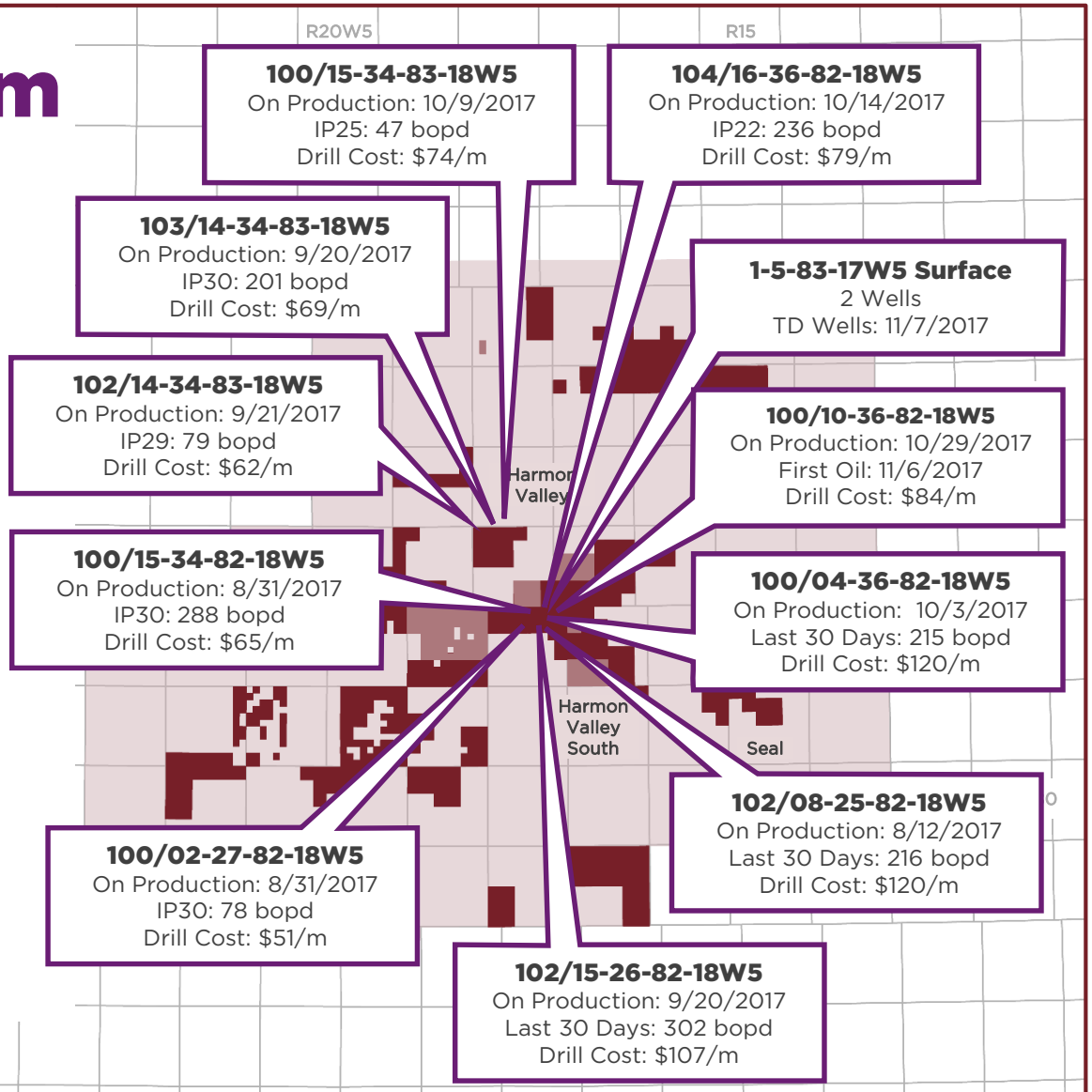
AB Viking Program Continues to Exceed Expectations

Continuing to evolve development strategy to enhance economics and maximize capital efficiency



PROP Program Returned to the Heart of Harmon Valley South

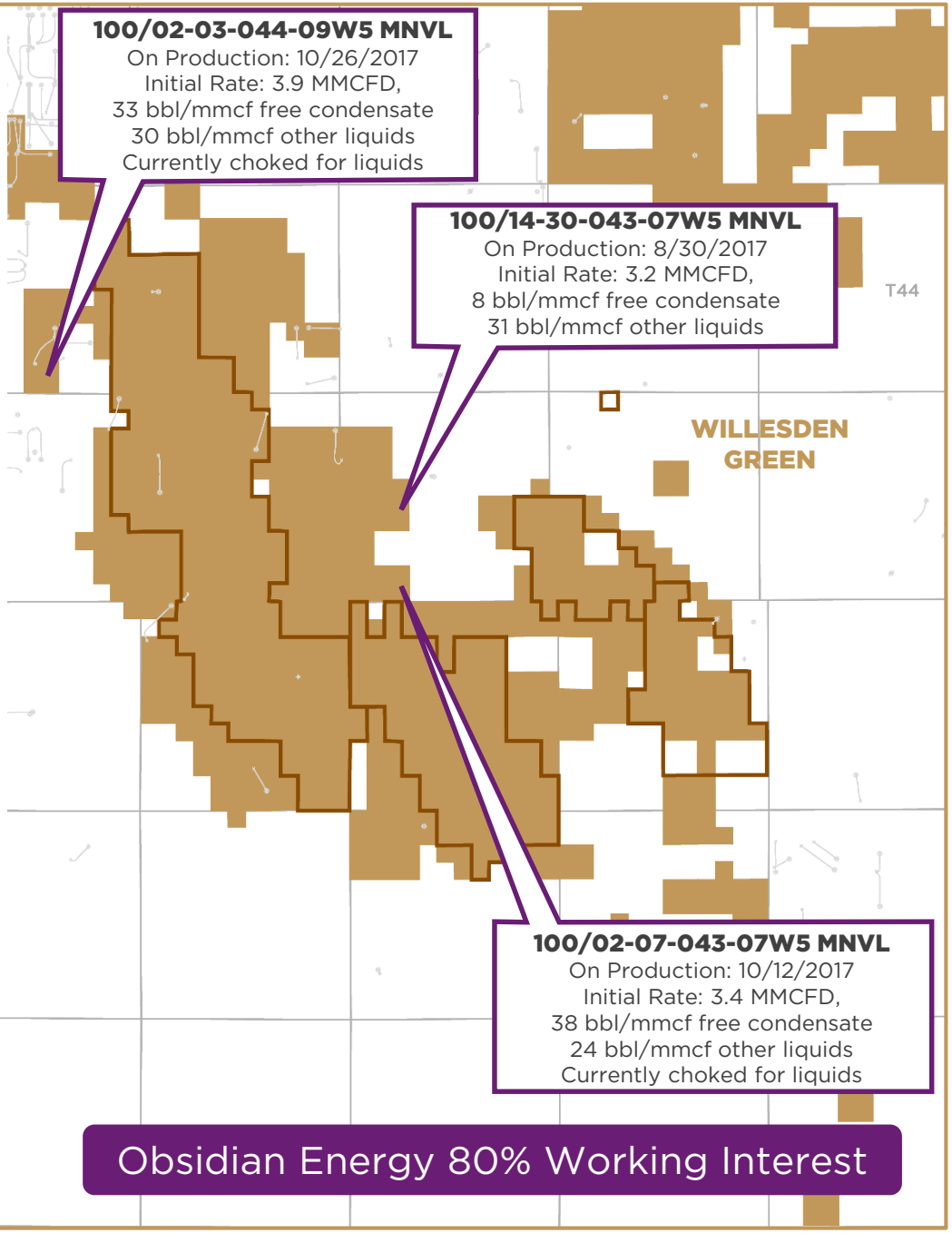
- Economics still attractive post carry
- Well costs dropped 17% in H2 versus H1 due to optimized well length and cheaper cost per meter



Obsidian Energy 55% Ownership In the Peace River Oil Partnership

Deep Basin Results are Liquids Rich

- Foray into Deep Basin executed on schedule and on budget
- Tested different upper Mannville targets with variable pressure and reservoir quality
- 2 of 3 wells are flow rate restricted to optimize liquids rates



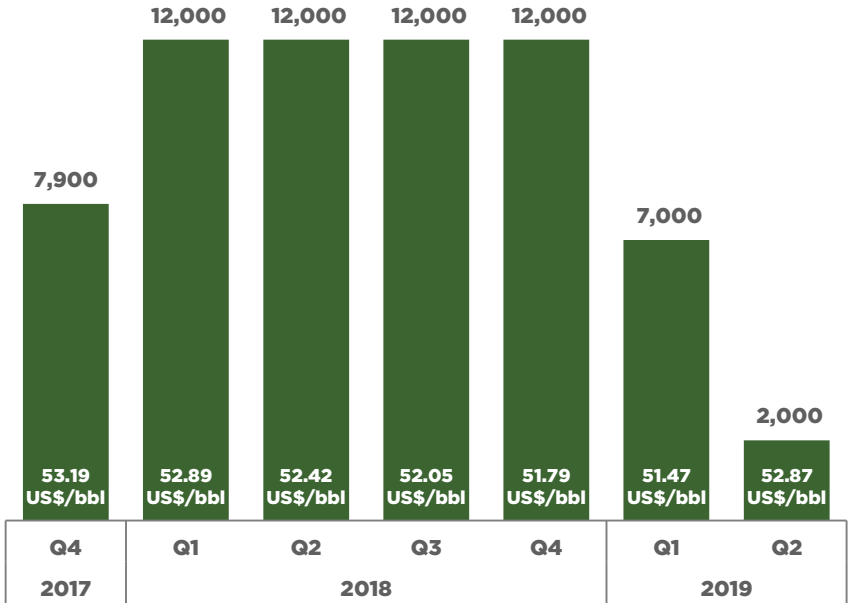
See end notes

Strong Hedge Position Protects Capital Program

Clear downside protection through our hedge book with ~65% of Net Liquids Volumes Hedged for FY 2018

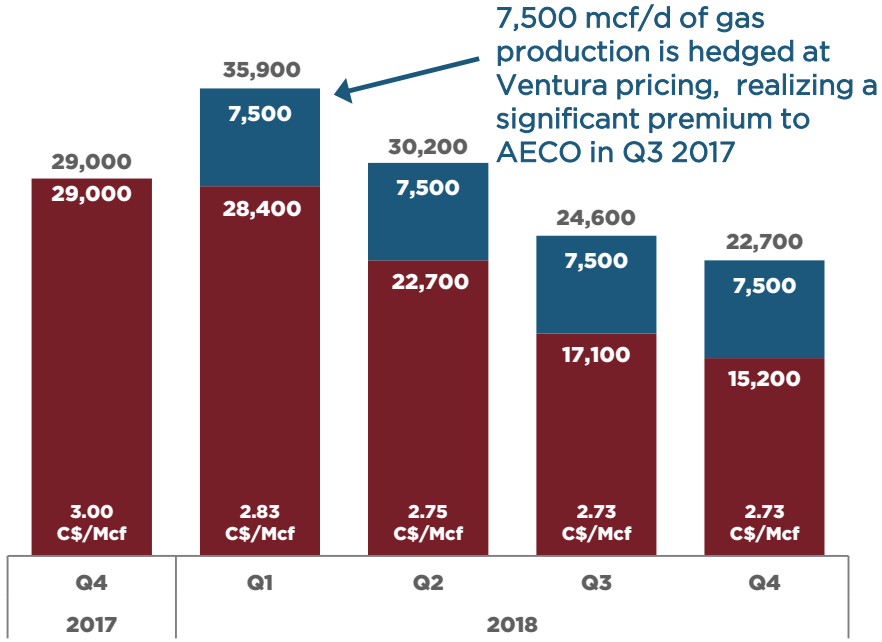
Oil Volumes Hedged (bbl/d)

~65% of Net Liquids Volumes Hedged for FY 2018



Gas Volumes Hedged (Mcf/d)

40% of Net Gas Volumes Hedged for FY 2018

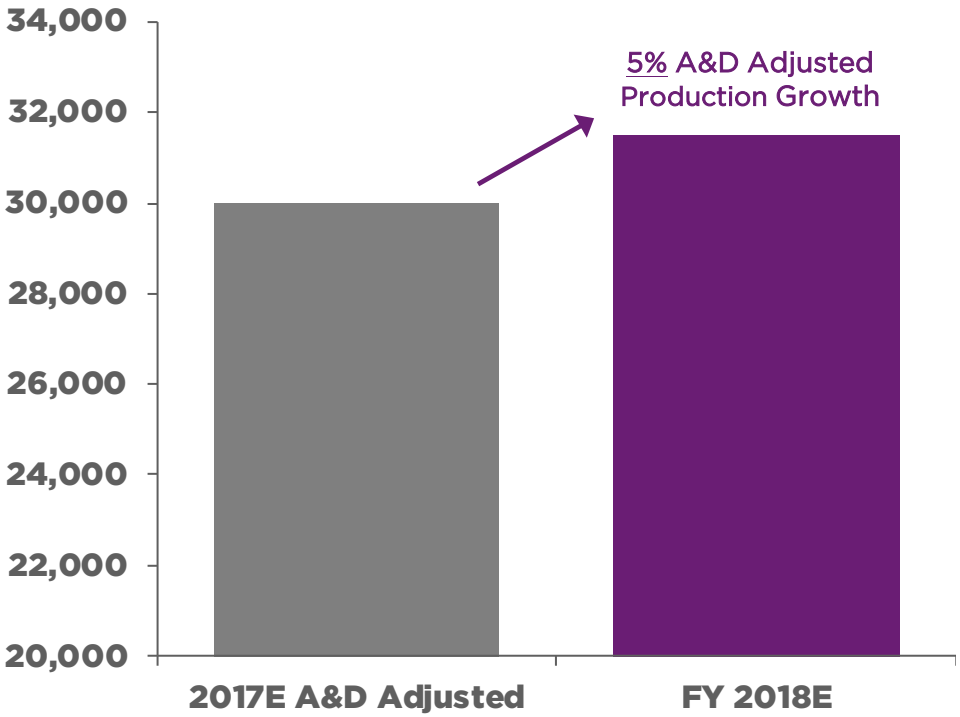


Focused 2018 Plan

- Predictable & Liquids Weighted Growth Profile
- Development Capital is 64% of Total Expenditures
- Flexibility to expand capital program in H2 and extend growth rate

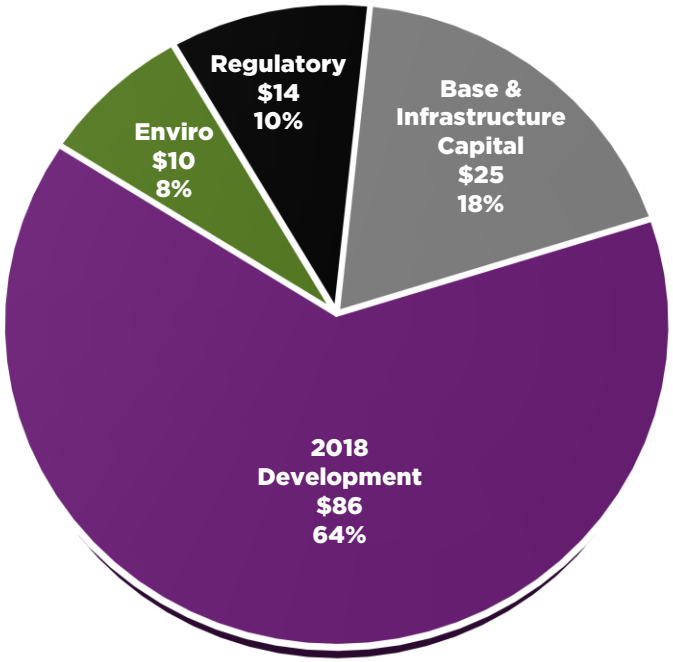
2018 Production (boe/d)

2018 Production 31,000 – 32,000 boe per day



Capital Spend ($MM)

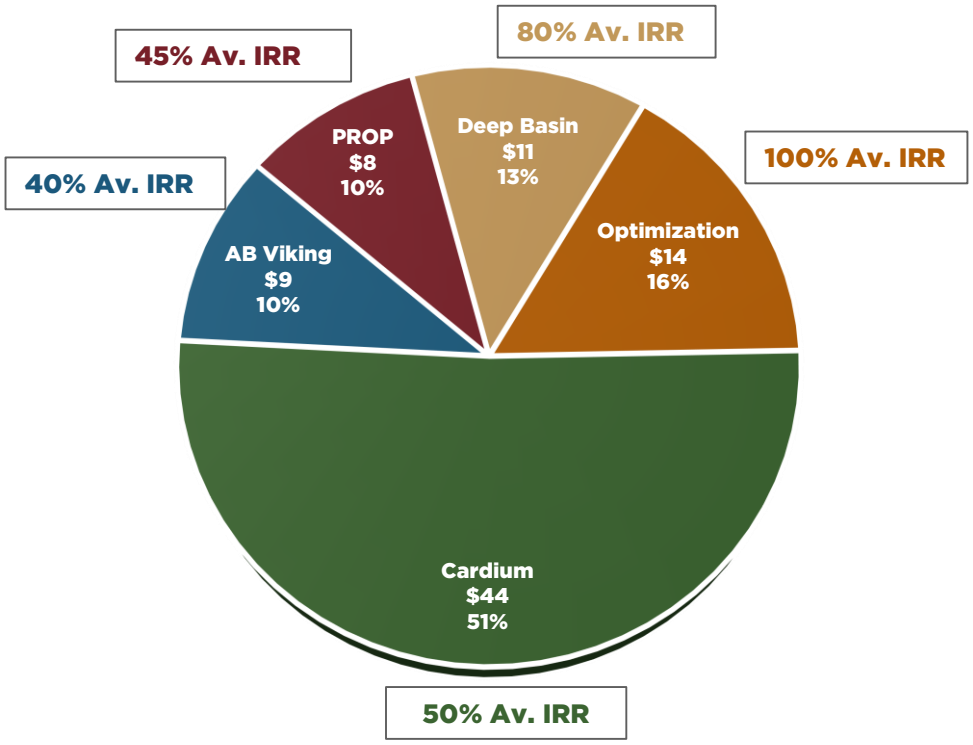
2018 $135MM Capital Expenditures



Vast Portfolio Optionality on Display

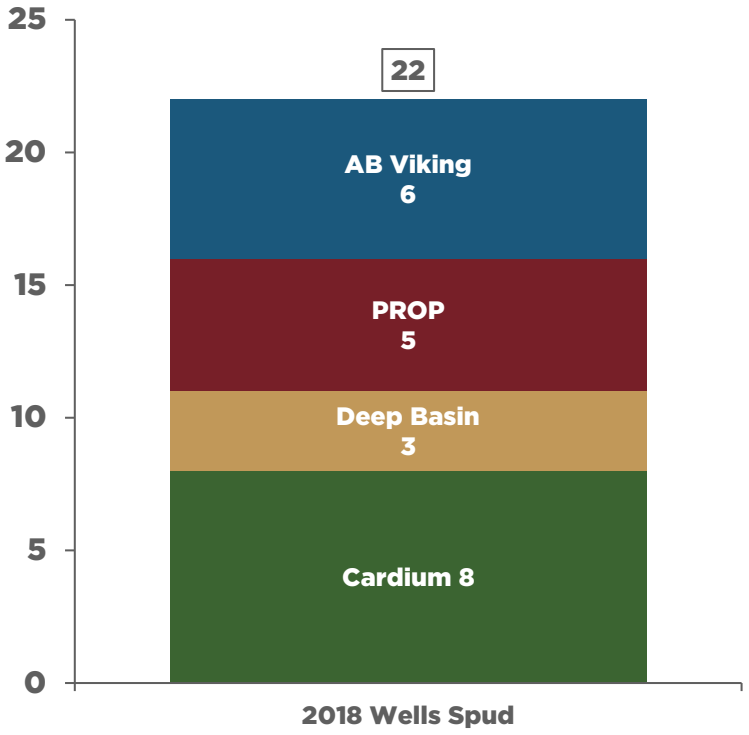
Employing a quicker payout program that balances primary drilling with targeted low capital integrated waterflood opportunities

2018 Development Allocations ($MM)



2018 Operated Spuds

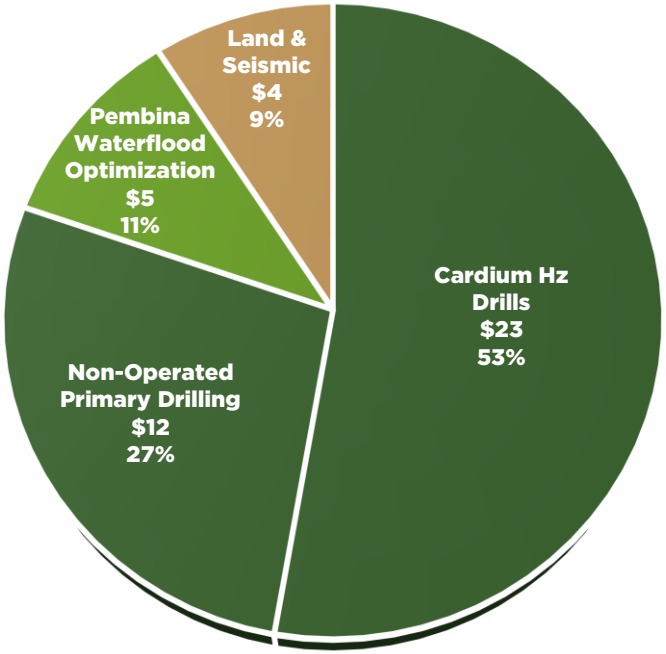
22 Operated spuds planned in 2018



Short Cycle Focused Cardium Program

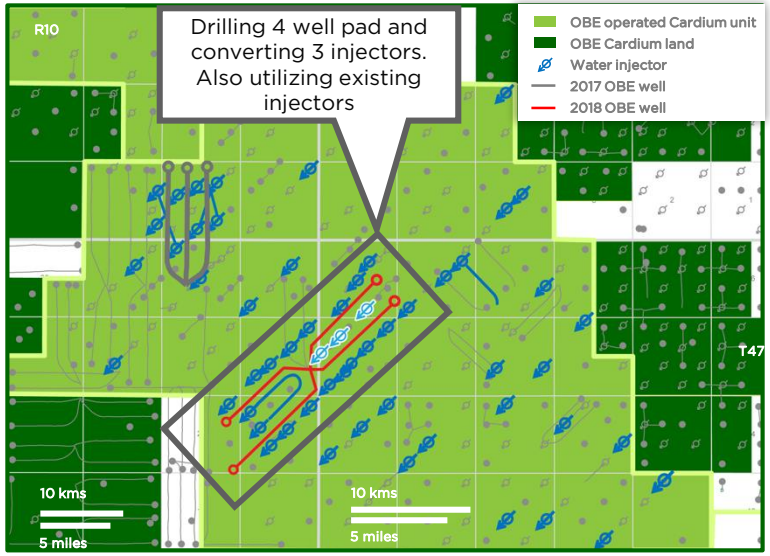
- Taking advantage of existing injectors in Pembina for low cost integrated waterflood
- Primary drilling in Willesden Green accessing clean sand and bioturbated intervals

2018 Cardium Development Allocations ($MM)



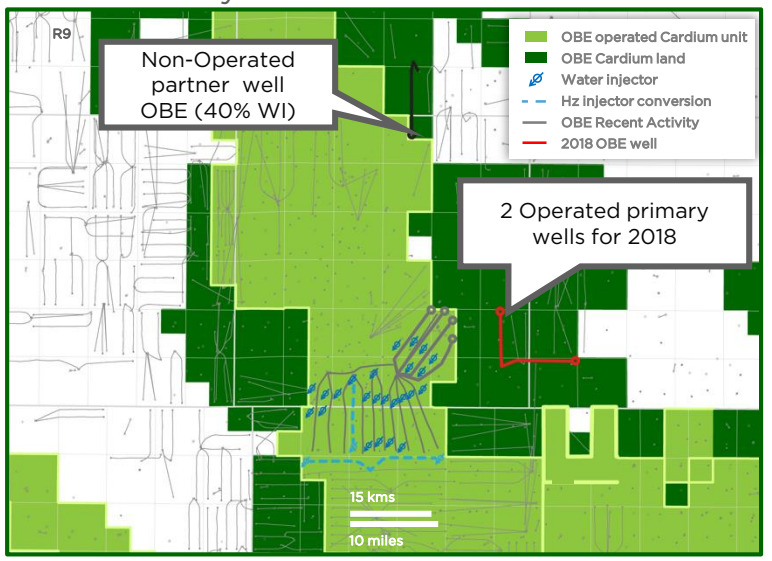
PCU#9 2018 Development

4 Well Pad with 3 Injection Conversions



Willesden Green 2018 Development

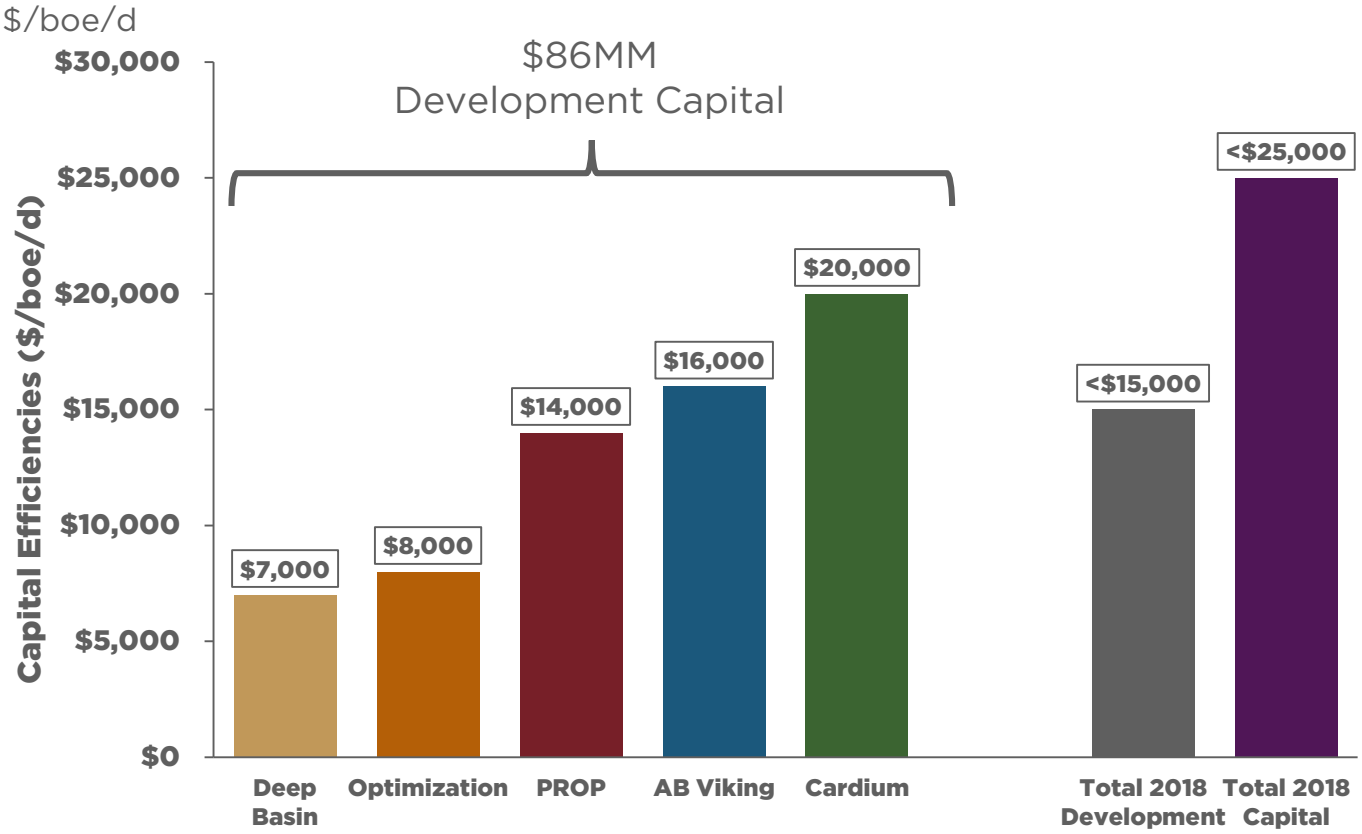
2 Well Primary Pad



2018 Capital Efficiency Buildup

- Program leverages the short cycle opportunity set in our portfolio
- Development Capital efficiencies of <$15,000/boe/d
- Total Capital efficiencies of <$25,000/boe/d

Total 2018 Corporate Capital Efficiencies



See end notes

2018 Guidance

	Units	FY 2018 Guidance
Production		
Average Production	boe/d	**31,000 – 32,000**
Growth		
2018 Production Growth	%	**5%**
Capital Expenditures		
Capital Expenditures	$MM	**$125**
Decommissioning Expenditures	$MM	**$10**
Expenses		
Operating Expense	$/boe	**$13.50 - $14.00**
General & Administrative Expense	$/boe	**$2.00 – $2.50**

Appendix

End Notes

All slides should be read in conjunction with “Definitions and Industry Terms”, “Non-GAAP Measure Advisory” and “Forward-Looking Advisory”

Slide 3. Obsidian Corporate Profile

Daily Volume (shares) is the 30 day average share volume traded on Canadian and US Exchanges per Bloomberg. Production, % Liquids, Operating Costs, and Netback and Net Debt are based on Q3 2017 results. Operating costs are net of carry from the Peace River Oil Partnership and netbacks include hedging. The net sections for Deep Basin are approximate numbers and are internal estimates

Slide 5. On track to meet all 2017 guidance metrics

Production, capital expenditures and operating costs are all internal estimates for year end 2017. Operating costs include the benefit of the operating cost carry as per the Peace River Oil Partnership

Slide 6. Low Decline Rate Underpins Growth

Corporate base production and decline is based on actual data. Lines have been smoothed for illustrative effect to adjust for volatility inherent in day to day oil and gas operations. Capital efficiencies on optimization projects are internal estimates and rounded

Slide 7. Waterflood Performance is Impressive

Cardium base production and decline is based on actual data. Lines have been smoothed for illustrative effect to adjust for volatility inherent in day to day oil and gas operations. Capital efficiencies on optimization projects are internal estimates and rounded. The number of actively managing existing injectors is an internal estimate

Slide 10. Program Returned to the Heart of Harmon Valley South

Peace River Oil Partnership carry is expected to end in 2017

Slide 11. Deep Basin Results are Liquids Rich

Choked is an industry term that refers to device that is used to control fluid flow rate or downstream system pressure

Slide 12. Strong Hedge Position Protects Capital Program

All crude oil and gas hedges have been converted into US$ or $CAD price implied price using foreign exchange rate 1.2729 CAD/USD on Nov 8th, 2017. Ventura Gas Hedges include $0.55 per mcf of transportation deductions to bring product to the Ventura market

Slide 13. A Nimble & Focused 2018 Plan

Production, capital expenditures are based on internal estimates for 2018

Slide 14. Vast Portfolio Optionality on Display

Internal Rates of Returns are rounded and based on a blended Sep 30, 2017 strip price and 3rd party reserve evaluator deck

Slide 16. 2018 Capital Efficiency Buildup

Capital efficiencies for each core area are based on capital spent in that area on new production adds, 12 month forward production average, on an capital weighted average basis and rounded. Corporate Capital efficiencies includes all capital spent, 12 month forward production average, on an capital weighted average basis and rounded

Definitions and Industry Terms

A&D means oil and natural gas property acquisitions and divestitures.

A&D Adj. means oil and natural gas property acquisitions and divestitures.

Base means production with no additional production from new drilling

bbl means barrel or barrels.

boe and boe/d mean barrels of oil equivalent and barrels of oil equivalent per day, respectively.

Capital Expenditures includes all direct costs related to our operated and non-operated development programs including drilling, completions, tie-in, development of and expansions to existing facilities and major infrastructure, optimization and EOR activities.

Company or OBE means Obsidian Energy Ltd, as applicable.

Enviro means decommissioning expenditures.

E means estimate

FX means foreign exchange rate, in our case typically refers to C$ to US$ exchange rates.

Free Cash Flow, which is Funds Flow from Operations less Total Capital Expenditures

FY means fiscal year

G&A means general and administrative expenses.

H2 mean second half of the year

Hz means horizontal well.

IP means initial production, which is the average production over a specified time period.

IRR means Internal Rate of Return which is the interest rate at which the NPV equals zero.

Liquids % means the percentage of crude oil and NGLs from the total barrels of oil equivalent of production.

Liquids means crude oil and NGLs

Mmcf means million cubic feet.

Mmcf/d means million cubic feet per day

M means meters

MM means millions

Net Debt means Senior Debt plus bank debt plus non-cash working capital deficit, detailed in the Non-GAAP measure advisory.

NGL means natural gas liquids which includes hydrocarbon not marketed as natural gas (methane) or various classes of oil.

PCU #9 Means Pembina Cardium Unit number 9

PROP means Peace River Oil Partnership

TD means total depth where drilling has stopped

Q3 means the third quarter

Q4 means the fourth quarter

Spud mean the process of beginning to drill a well

Non-GAAP Measures Advisory

Non-GAAP measures advisory

In this presentation, we refer to certain financial measures that are not determined in accordance with IFRS. These measures as presented do not have any standardized meaning prescribed by IFRS and therefore they may not be comparable with calculations of similar measures for other companies. We believe that, in conjunction with results presented in accordance with IFRS, these measures assist in providing a more complete understanding of certain aspects of our results of operations and financial performance. You are cautioned, however, that these measures should not be construed as an alternative to measures determined in accordance with IFRS as an indication of our performance. These measures include the following:

Netback is a measure of cash operating margin on an absolute or per-unit-of-production basis and is calculated as the absolute or per-unit-of-production amount of revenue less royalties, operating costs and transportation. The measure is used to assess the operational profitability of the company as well as relative profitability of individual assets. For additional information relating to netbacks, including a detailed calculation of our netbacks, see our latest management's discussion and analysis which is available in Canada at www.sedar.com and in the United States at www.sec.gov; and

Net debt is the amount of long-term debt, comprised of long-term notes and bank debt, plus net working capital (surplus)/deficit. Net debt is a measure of leverage and liquidity

Forward-Looking Information Advisory

Certain statements contained in this presentation 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. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the following: that we are on track to meet all 2017 guidance metrics including Q4 A&D adjusted production growth, 2017 total production per day, total capital expenditures for the year and operating expenses within the guidance range; our expected base decline rates for production in 2018 and 2019; our expectation for when certain wells will come on production; that we will continue to evolve our development strategy to enhance economics and maximize capital efficiencies; that the economics in Peace River will continue to be attractive post the carry ending; that there is clear downside protection to our capital program through our current hedge book; our expected approach to development including the area-specific asset development plans; the timing and our expectations of such development activities; that there could be flexibility to expand the 2018 capital program in H2 2018, which in turn would drive more growth; our capital spending plans in 2018; our expected percentage production growth rate for 2018; the expected average internal rates of return at the various locations; the expectation that short cycle development drives strong capital efficiencies; the expected 2018 corporate capital efficiencies by location and the Company as a whole; our expectation for the average 2018 production range per day; and our expectations for operating costs and G&A costs for 2018 and the associated target ranges for those costs.

The key metrics for the Company set forth in this presentation may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this presentation are based on assumptions about future events based on management's assessment of the relevant information currently available. In particular, this presentation contains projected operational and financial information for end of 2017, 2018 and beyond for the Company. The future-oriented financial information and financial outlooks contained in this presentation have been approved by management as of the date of this presentation. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: our ability to complete asset sales and the terms and timing of any such sales; the economic returns that we anticipate realizing from expenditures made on our assets; 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 capital expenditure levels; future crude oil, natural gas liquids and natural gas production levels; drilling results; future exchange rates and interest rates; future taxes and royalties; the continued suspension of our dividend; 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; our ability to obtain financing on acceptable terms, including our ability to renew or replace our reserve based loan; our ability to finance the repayment of our senior secured notes on maturity; and our ability to add production and reserves through our development and exploitation activities. In addition, many of the forward-looking statements contained in this document are located proximate to assumptions that are specific to those forward-looking statements, and such assumptions should be taken into account when reading such forward-looking statements. Please note that illustrative examples are not to be construed as guidance for the Company and further details on assumptions can be found in the Endnotes section of the presentation.

Although Obsidian Energy believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Obsidian Energy can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; the possibility that the semi-annual borrowing base re-determination under our of our reserve-based loan is not acceptable to the Company or that we breach one or more of the financial covenants pursuant to our amending agreements with holders of our senior, secured notes; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect Obsidian Energy, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein)), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), EDGAR website (www.sec.gov) or Obsidian Energy's website.

Unless otherwise specified, the forward-looking statements contained in this document speak only as of January 5, 2017. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.