Obsidian Energy
Corporate Presentation

May 2020

Important Notice to the Readers

OBSIDIAN ENERGY

This presentation should be read in conjunction with the Company's unaudited interim consolidated financial statements, Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2020. 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 & Endnotes at the end of this presentation for further details regarding these matters.

All slides in this presentation should be read in conjunction with "Definitions and Industry Terms", "Non-GAAP Measure Advisory", "Oil and Gas Information Advisory", "Reserves Disclosure and Definitions Advisory" and "Forward-Looking Information Advisory". All locations are considered to be Unbooked locations unless otherwise noted.

Corporate Overview

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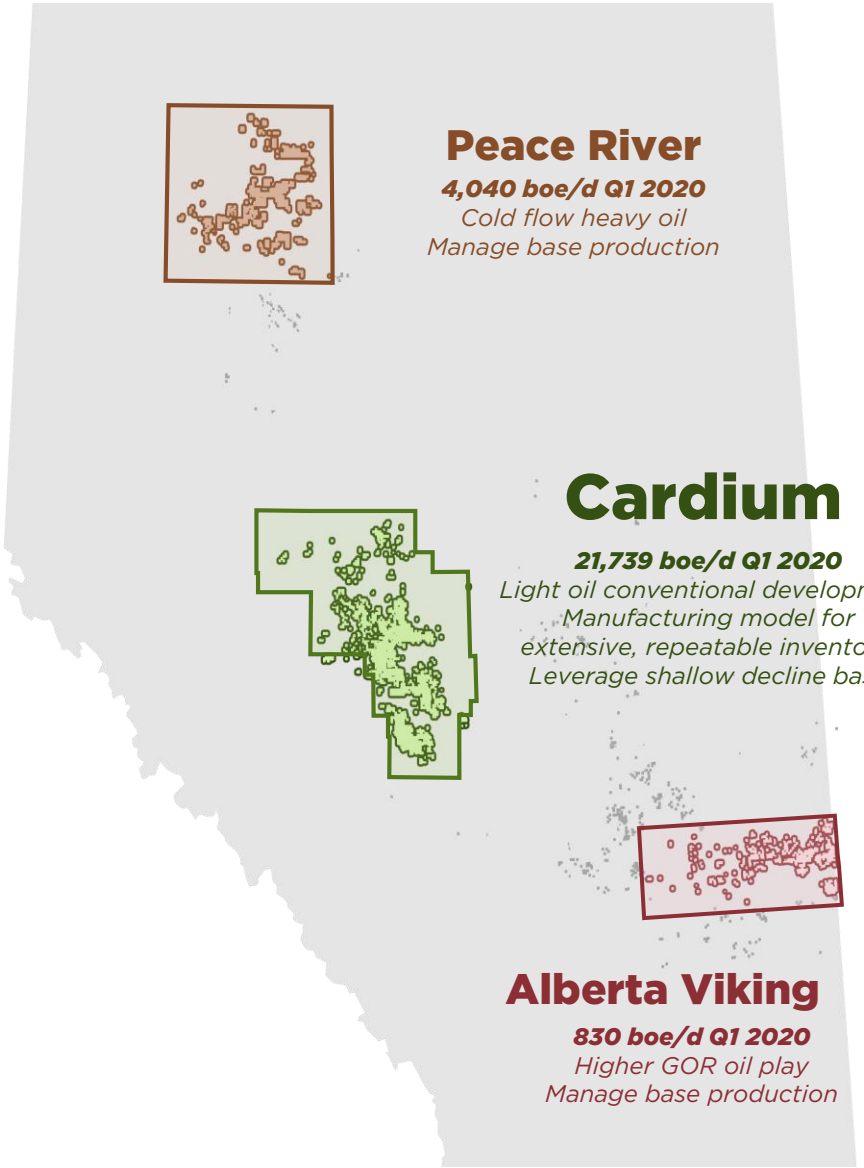
Market Summary		
Ticker Symbol		OBE
Shares Outstanding	*MM*	73
Market Capitalization	*MM*	$22
Net Debt	*MM*	$517
Enterprise Value	*MM*	$539

Corporate Summary		
Reserves (2P YE 2019)	*mmboe*	126
RLI (2P YE 2019)	*years*	14
PDP Decline (YE 2019)	*%*	17
Tax Pools (YE 2019)	*MM*	$2,547

H1 2020 Guidance		
Production	*boe/d*	25,500 – 26,000
Capital Expenditures	*MM*	$43
Decommissioning	*MM*	$8
Operating Costs	*$/boe*	$11.50 – 11.90
General & Administrative	*$/boe*	$1.65 – 1.85



**Legacy Asset Production of 483 boe/d Q1 2020*
**Deep Basin production is now included with Cardium*

See end notes for additional information

Strategic Priorities

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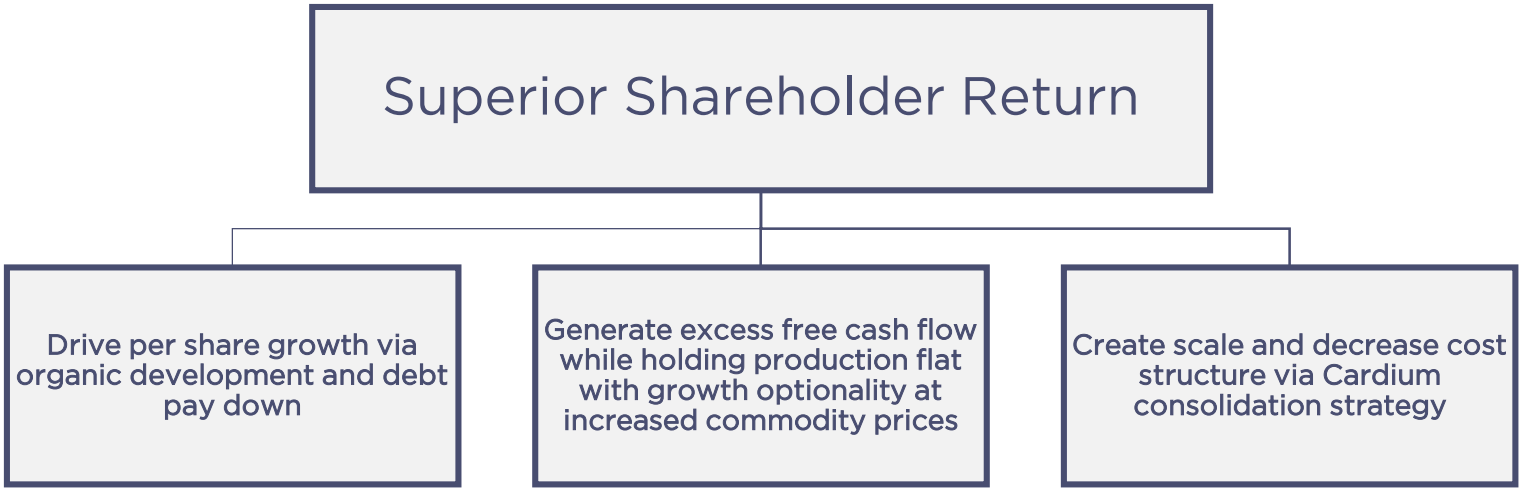
Short-term Priorities

- Protect long-term asset value
  - Temporarily shut-in uneconomic properties
  - Temper new well production
  - Defer development capital program
- Maintain liquidity
  - Cost reduction initiatives

Long-term Priorities



Short-term Actions - Q2 2020
Taken in this Low Price Environment

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Temporarily Shutting-in Currently Uneconomic Production:

Area	Production (boe/d)	Light Oil (bbl/d)	Heavy Oil (bbl/d)	NGLs (bbls/d)	Gas (mcf/d)
Cardium	576	438	-	23	692
Alberta Viking	144	-	130	-	81
Peace River	3,064	-	2,538	2	3,148
Total	**3,784**	**438**	**2,668**	**25**	**3,921**

Cost Control Measures

- Operating costs reduced by ~$8 million from our original 2020 estimate through savings with suppliers and shut-in production
- Personnel costs temporarily reduced by ~$10 million, if annualized, through 20% reduction in Calgary office compensation, 10% reduction in field salaries, suspension of employer savings plan contributions, cancellation of certain contractor arrangements, 10% reduction in annual retainer of Board members and other savings
- Calgary office lease renegotiation reduced net costs by ~$7 million per year on an annualized basis and reduced the overall liability by ~$100 million

Government Aid Programs

- Applied for the federal government Canada Energy Wage Subsidy (CEWS), which provides potentially 12 weeks of funding for up to 75% of employee wages (up to a cap)
- Applied for the first phase of the Alberta government abandonment and reclamation program ($100 million), whereby the government will fund service providers directly to perform abandonment and reclamation projects
- Credit liquidity enhancement programs have been announced but details are still forthcoming and we will evaluate the applicability and potential benefit of those programs to our situation

Investment Highlights

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High Quality Assets and Large Acreage Position

- Largest acreage holder in the Cardium
- Cardium is one of Canada's lowest cost light oil resources, with strong IRR and recycle ratios
- Strong well performance since the beginning of 2018 in the Willesden Green Cardium (Crimson Lake and East Crimson)
  - Average IP30 rates of 550 boe/d (82% oil) and IP90 rates of 376 boe/d (77% oil) per well
  - FY 2019 Opex of $5.37 per boe in Willesden Green
  - ~11% decrease in DCE&T costs in 2019 program versus 2018 internal costs estimates
  - All 10 wells in H1 2020 program are producing, or ready to produce. The initial rates on a number of these wells have exceeded expectations and are some of the strongest seen to date in our multi-year Cardium program
- Flexible operations allow for quick reaction to commodity price changes at minimal cost without risk of long-term reservoir impairment
- Over 400 gross type curve quality Cardium locations
- Additional opportunities, such as waterflood and EOR projects, become competitive with increased pricing

Infrastructure Ownership and Control

- Ownership and control of strategic infrastructure including pipelines, processing and compression facilities
- Ability to grow near-term production in both Willesden Green and Pembina with minimal infrastructure spend

See end notes for additional information

Cardium Development Program
Focused on Delivering Strong Capital Returns

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Willesden Green Focused	• Drilling prioritized to target highest return opportunities
Strong Economics	• Wells ranked by IRR with focus on recycle ratio
Flexible	• Program is license ready and scalable with an inventory of drill ready locations to add significant program optionality
Optimization	• Additional capital can be allocated to highly efficient, liquids weighted optimization projects yielding rapid project returns
Well Design	• Well spacing and frac designed for cost efficiency and tailored to our target reservoirs
Infrastructure	• Minimal infrastructure spend required • Drill order optimized to manage infrastructure capacity

Execute Operationally
Crimson 2018/2019 Development Program Summary

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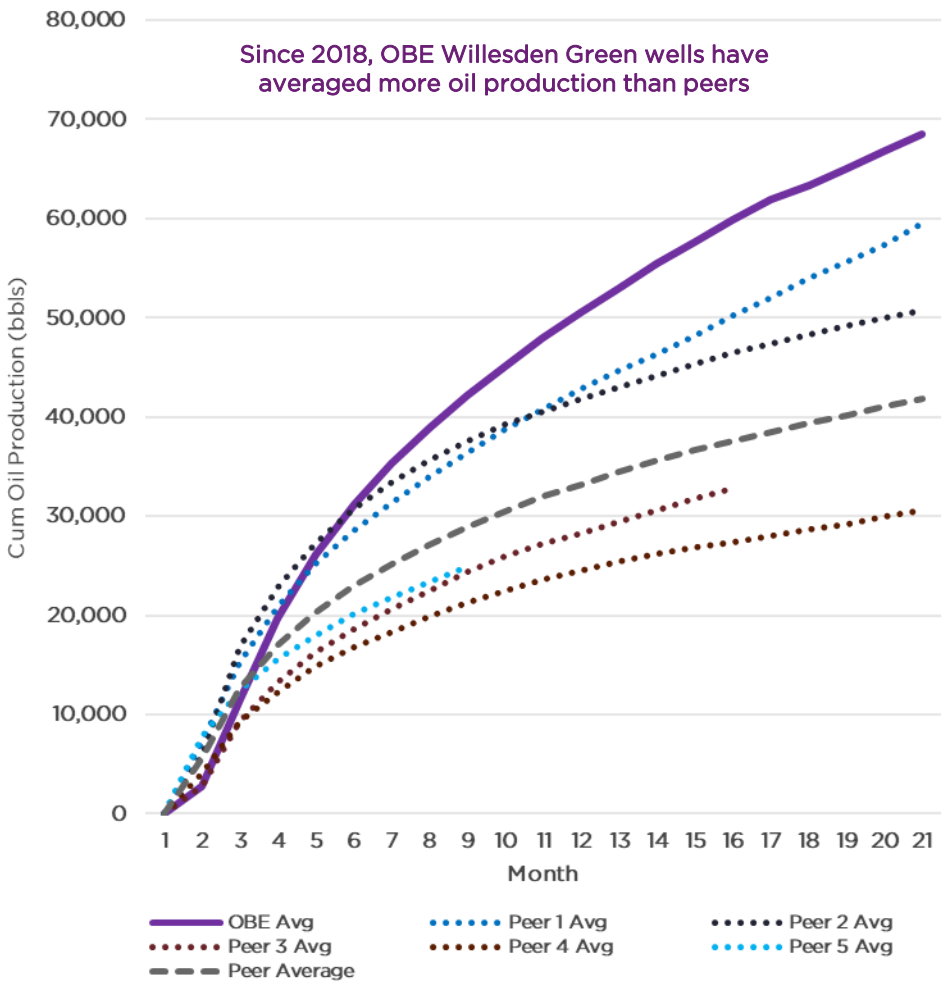
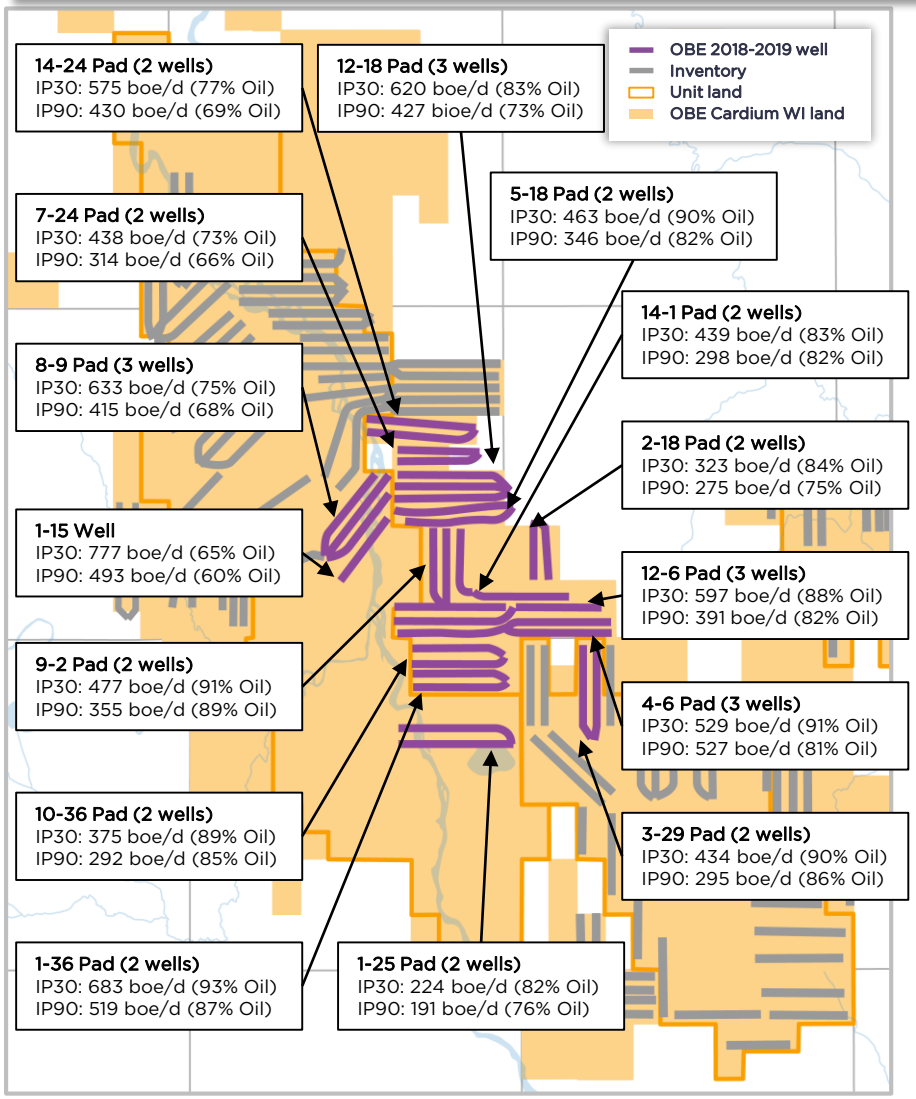
Willesden Green Peer Comparison – Cumulative Oil



Crimson Lake – 2018-2019 Per Well Rates (33 wells)



Rates shown here are an average per well on each respective padsite.

See end notes for additional information

Execute Operationally
H1 2020 Development Program

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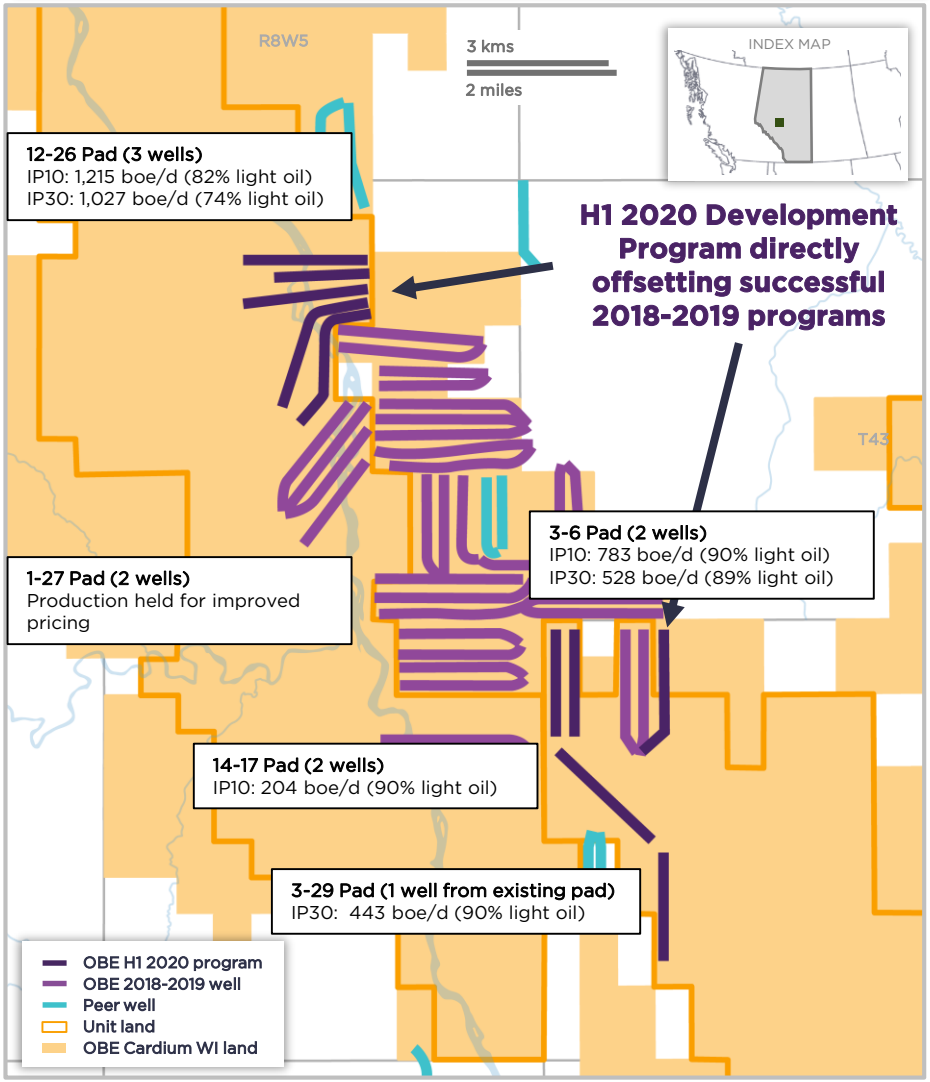
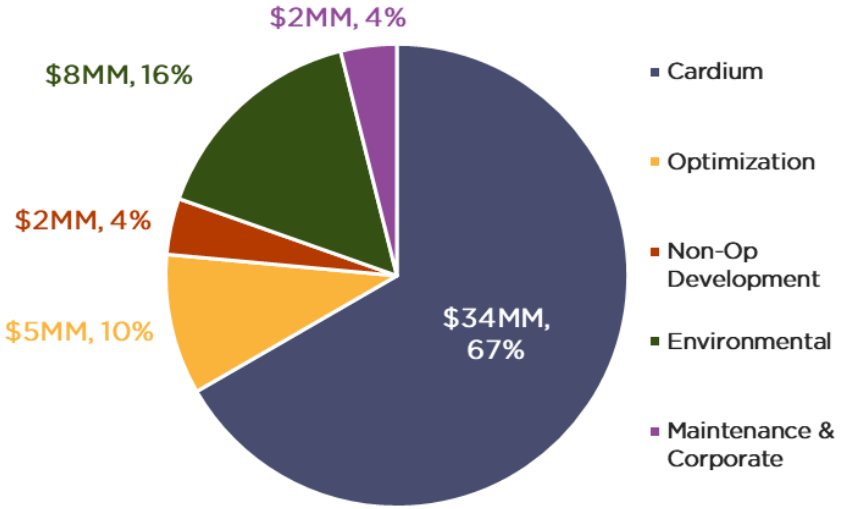
Crimson Lake



2020 H1 – 10 Well Program

- Early deliverability results from the first half program to date have been particularly strong
  - Pad 12-26 on-stream delivering IP10: 1,215 boe/d (82% light oil) and IP30: 1,027 boe/d (74% light oil) are our strongest oil-equivalent rates in our primary Cardium program.
- All 10 wells in the program are on production or are ready to produce as desired by the Company.
- Development capital spending paused for balance of 2020 in the current oil price environment.

Current H1 2020 Capital Summary ($51 million)



See end notes for additional information

Cardium Growth & Operational Improvements

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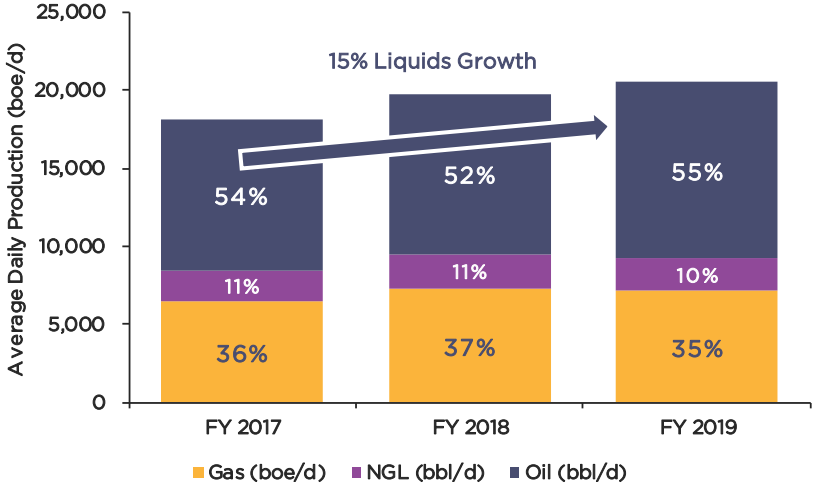
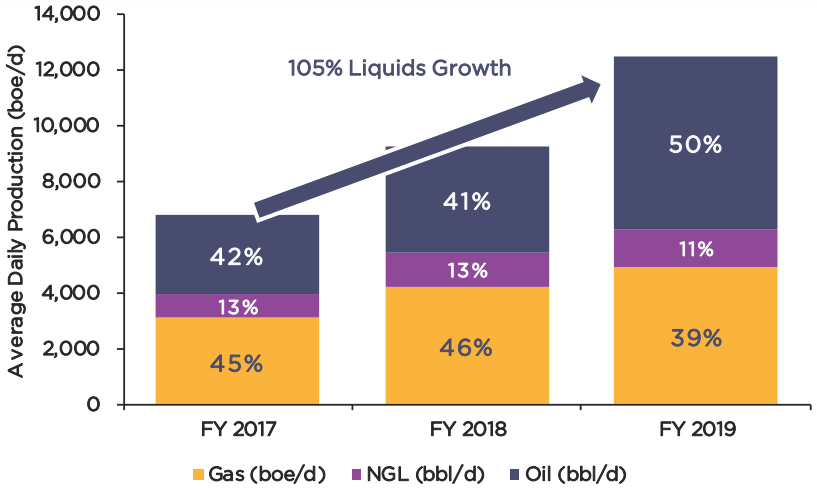
Total Cardium Production



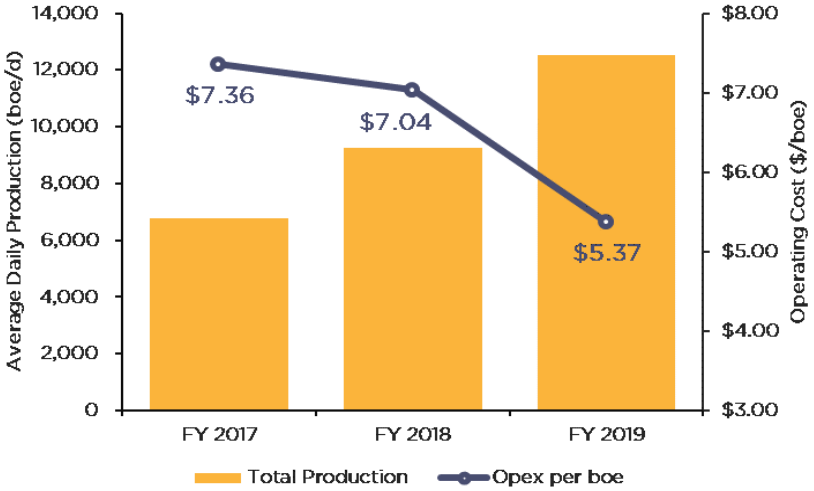
Commentary

- Our 2017-2019 drilling programs in Crimson Lake have delivered robust production growth with high-Netbacks and low operating costs
- Cardium
  - 15% Liquids Growth since 2017
  - 7% Total Production growth since 2017
- Willesden Green
  - 105% Liquids growth since 2017
  - 84% Total Production growth since 2017
  - 27% Opex/boe improvement since 2017

Willesden Green Production



Willesden Green Operating Costs



See end notes for additional information

Optimization

Finding low cost, high value opportunities in our base

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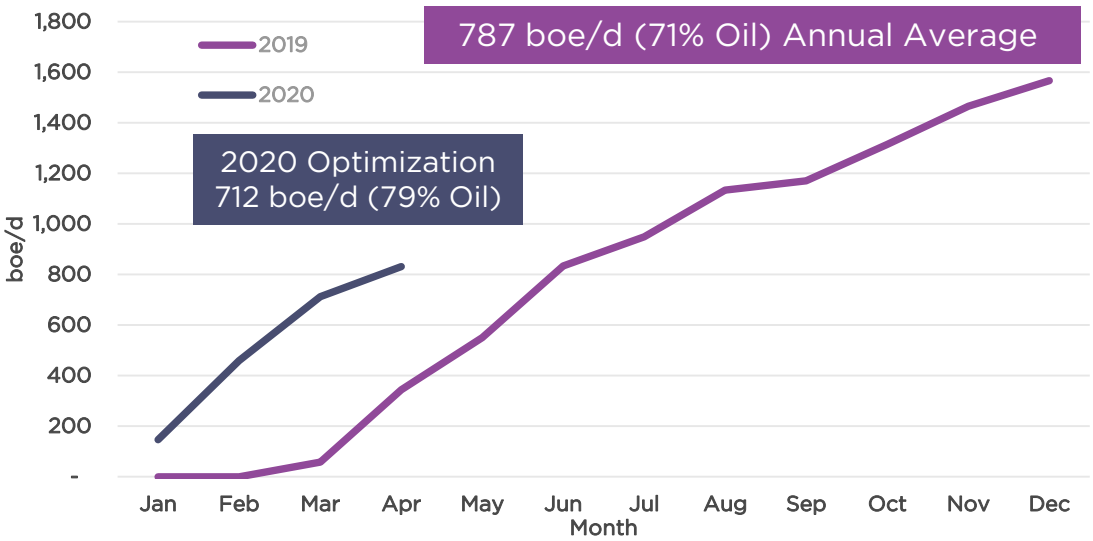
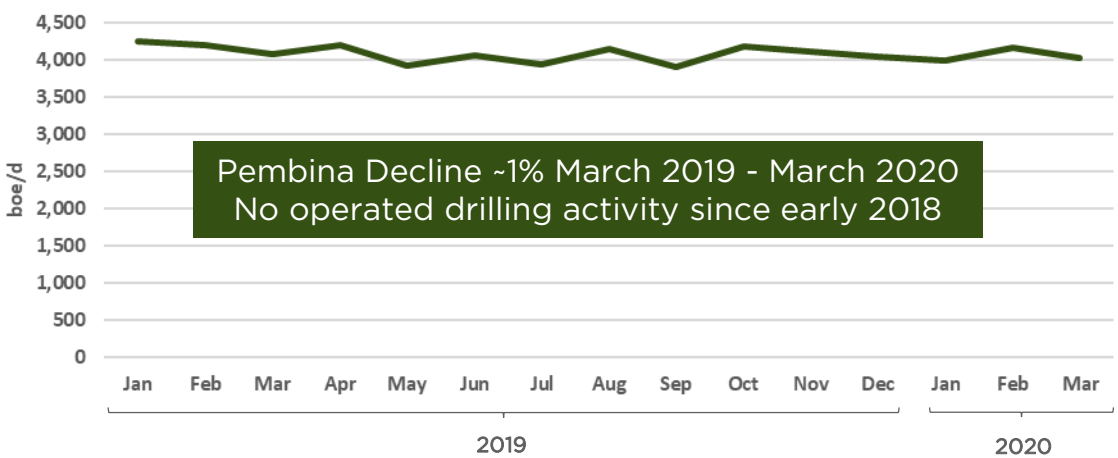
Total Optimization Program Production



Pembina Optimization Program Production



Commentary

Proven

2019 Summary

- $8.4MM Capital spend
- 2019 Capital Efficiency of $10,700/boe
- 12 Month Capital Efficiency <$8,000/boe
- 2019 YE PDP Reserve adds of 1.1 mmboe
- Over 200 projects executed

2020 Summary

- Q1 spend of $5 million focused on well bore stimulations, reactivations and recompletions
- Spending currently on hold

Repeatable

- Robust, multi-year inventory of low cost, efficient projects to improve and expand base production
- Chemical (non-fracture) stimulations
- Pressure reduction packages
- Reactivations & recompletions
- Waterflood enhancement
- Opex reductions

Impactful

- Significant impact to key operating fields, lowering declines, and improving netbacks

Crimson Lake Cost Reduction Trajectory

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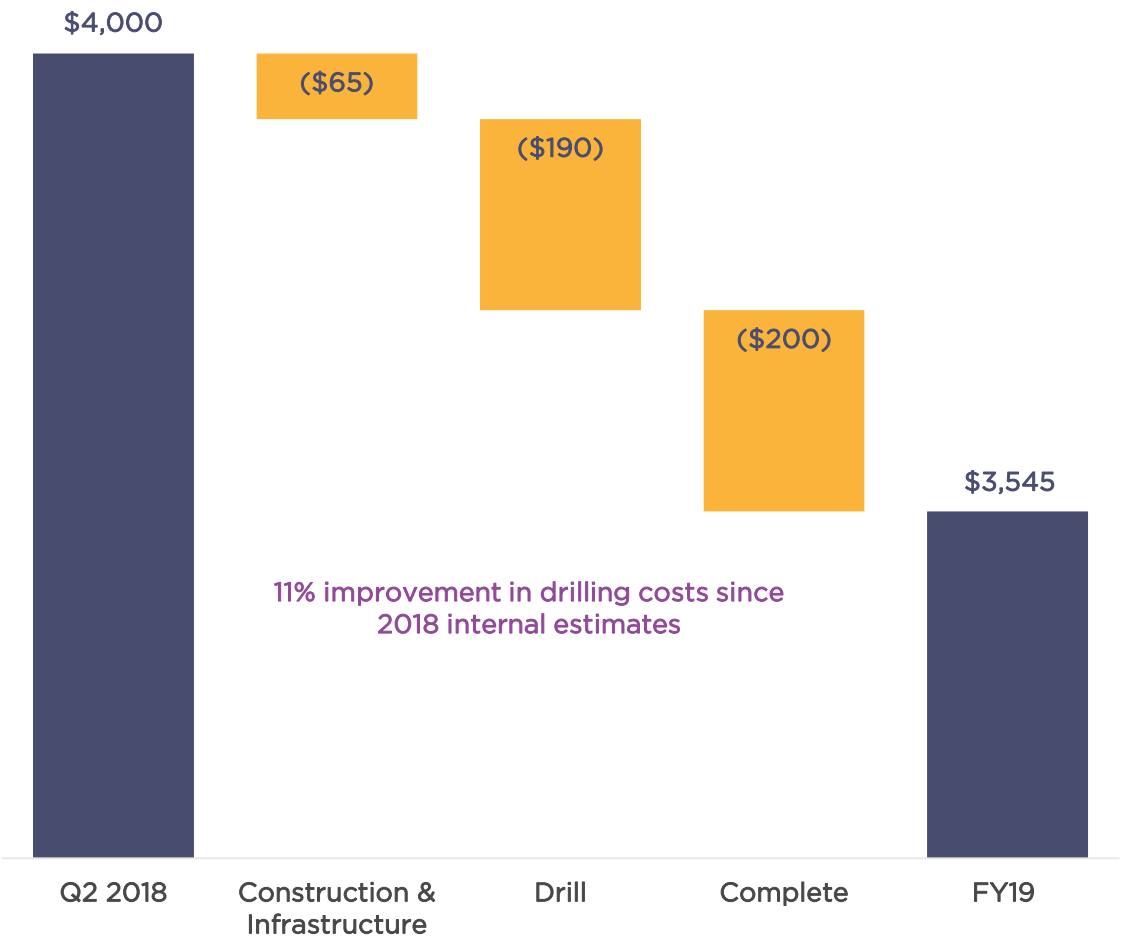
Drill, Complete, Equip & Tie-In Costs ($M)



Commentary

Construction
- Utilization and expansion of existing pads to reduce construction and infrastructure costs
- Construction timing optimization to reduce weather related impact and equipment mobilization costs

Drilling
- Monobore where reservoir pressure permits
- Single bit runs over extended reach HZ wells
- Multi-well pads and geographically focused programs mitigate rig move costs

Completions
- Frac optimization and nitrogen reduction
- Elimination of c-rings to reduce water costs
- Utilizing industry proven Coil-Shift Frac technology
- Lateral placement targeted to improve drilling and completion efficiency

Site Facilities
- Leverage existing infrastructure and inventory
- Develop within current infrastructure capacity

See end notes for additional information

Cardium Play Fairways
A Large High-Graded Inventory

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West Pembina

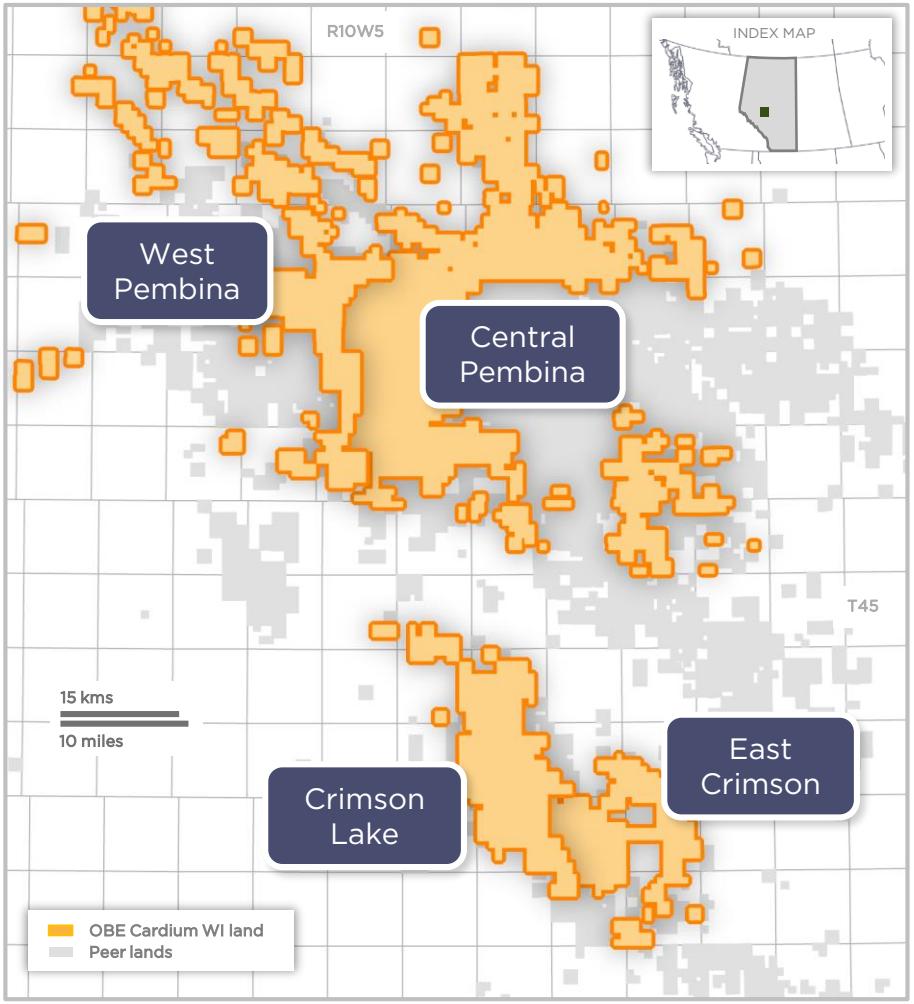
132
Type Curve Locations

- Well established productive trend significantly de-risked by major Cardium players
- Underdeveloped acreage
- Easy access to existing OBE facilities and direct access to regional transportation

Crimson Lake

36
Type Curve Locations

- Banked oil from historical pressure maintenance
- Top quality reservoir previously underdeveloped by vertical drilling
- Recent top quartile results
- Existing flexible infrastructure



410 type curve assigned locations

600+ total identified inventory

135 YE 2019 Net Booked Cardium Locations

Central Pembina

171
Type Curve Locations

- Individual fairways and unit boundaries in historically pressure supported properties
- Ability to waterflood for minimal capital through existing infrastructure
- Technical de-risking through reservoir modelling

East Crimson

71
Type Curve Locations

- Continued eastward extension of Crimson Lake development program
- De-risked by new competitor drilling in 2018/2019
- Existing flexible infrastructure

See end notes for additional information

Crimson Lake – Near Term Focus

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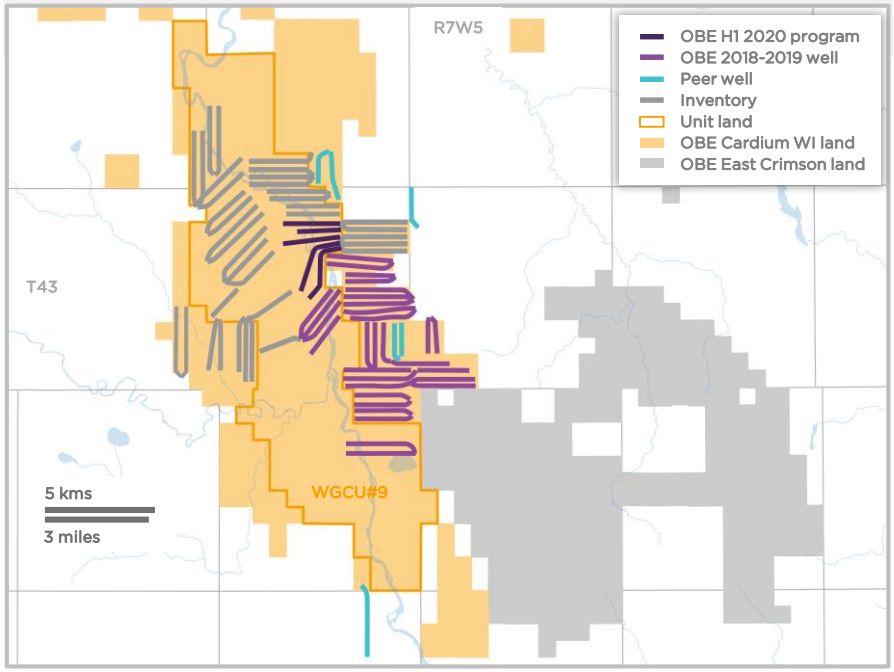
Summary

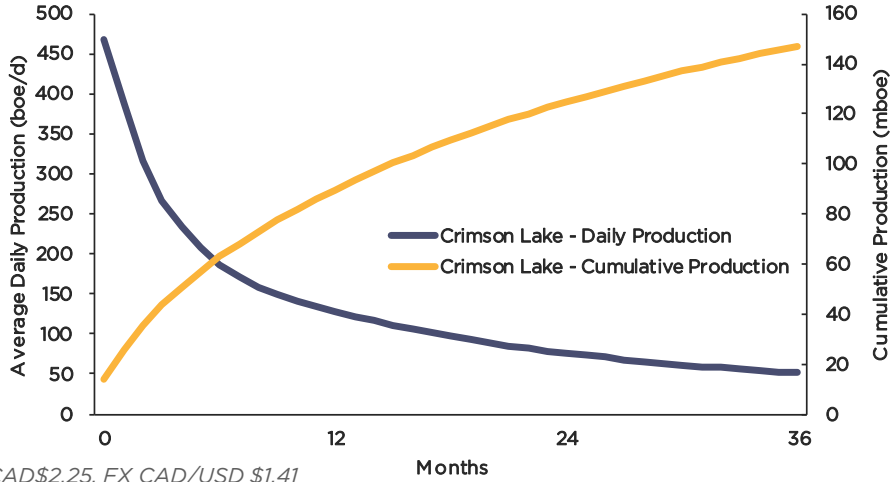
- Q1 2020 average production of 9,664 boe/d
- Obsidian Energy cornerstone for revitalized primary development on our Cardium acreage
- Banked oil from historical pressure maintenance in WGCU#9
- Top quality reservoir previously undeveloped due to topographic and infrastructure challenges for vertical drilling
- Existing flexible infrastructure at the Crimson 13-27 facility with optionality to East Crimson



Economics

Total Capex ($MM)	$3.5
EUR (Mboe)	229
Oil IP365 (bbl/d)	157
Total IP365 (boe/d)	235
NPV BTAX 10% ($MM)	$2.3
IRR (%)	75%
Payout (years)	1.2
Technical F&D ($/boe)	$15.50
12M Efficiency ($/boed)	$14,900
Breakeven (IRR 10%) WTI ($US/bbl)	$27.23

Type Curve – Crimson Lake



Economics Flat Pricing Assumptions: WTI USD$50.00, Ed Par Diff USD$6.00, AECO CAD$2.25, FX CAD/USD $1.41

See end notes for additional information

East Crimson – Mid Term Focus

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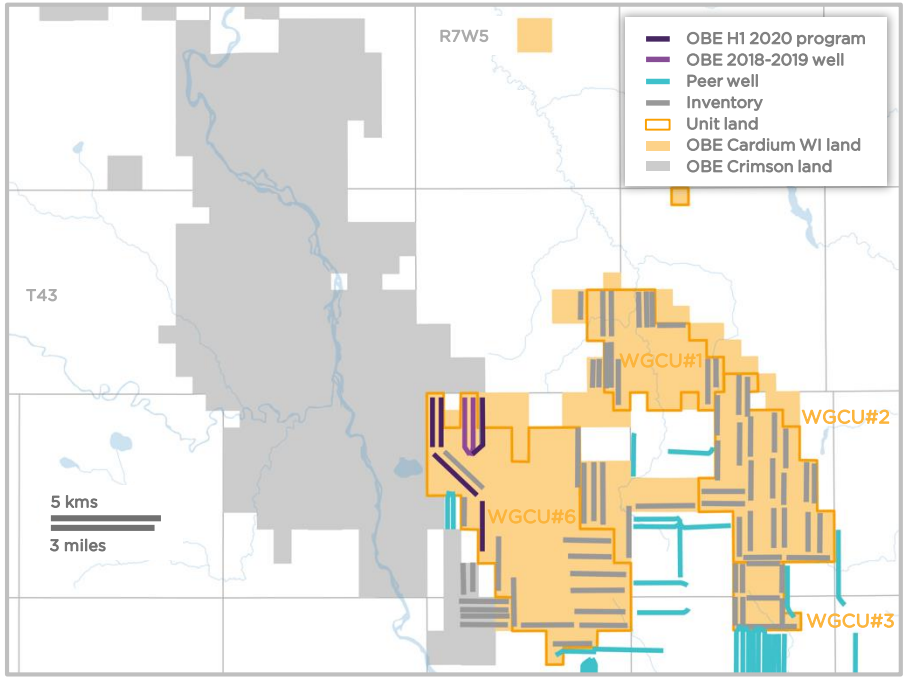
Summary

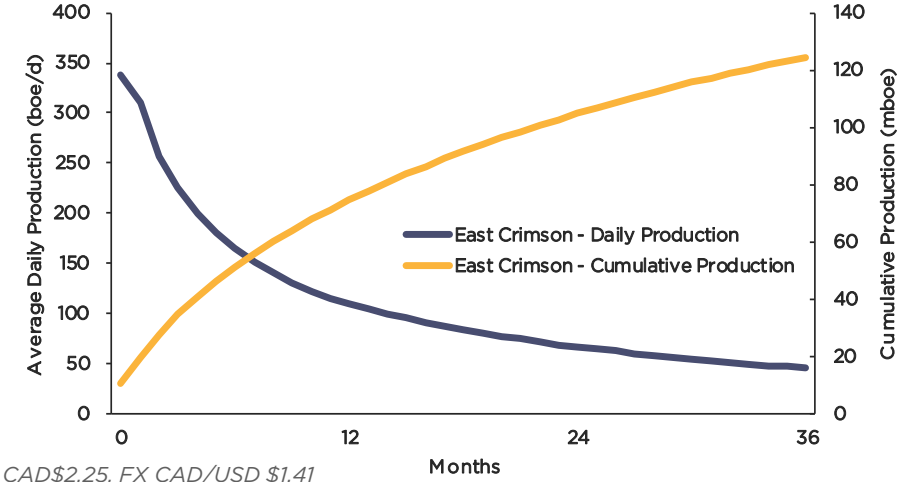
- Q1 2020 average production of 2,851 boe/d
- Continued Eastward extension of the successful Crimson Lake development program
- Area has been de-risked by recent peer drilling results supporting the revitalized development
- Shared and scalable infrastructure with the Crimson Lake program
- Combination of pressure supported edge drilling and underdeveloped unit fairways



Economics

Total Capex ($MM)	$3.5
EUR (Mboe)	203
Oil IP365 (bbl/d)	136
Total IP365 (boe/d)	194
NPV BTAX 10% ($MM)	$1.2
IRR (%)	44%
Payout (years)	1.6
Technical F&D ($/boe)	$17.30
12M Efficiency ($/boed)	$18,000
Breakeven (IRR 10%) WTI ($US/bbl)	$35.20

Type Curve – East Crimson



Economics Flat Pricing Assumptions: WTI USD$50.00, Ed Par Diff USD$6.00, AECO CAD$2.25, FX CAD/USD $1.41

See end notes for additional information

West Pembina – Mid Term Focus

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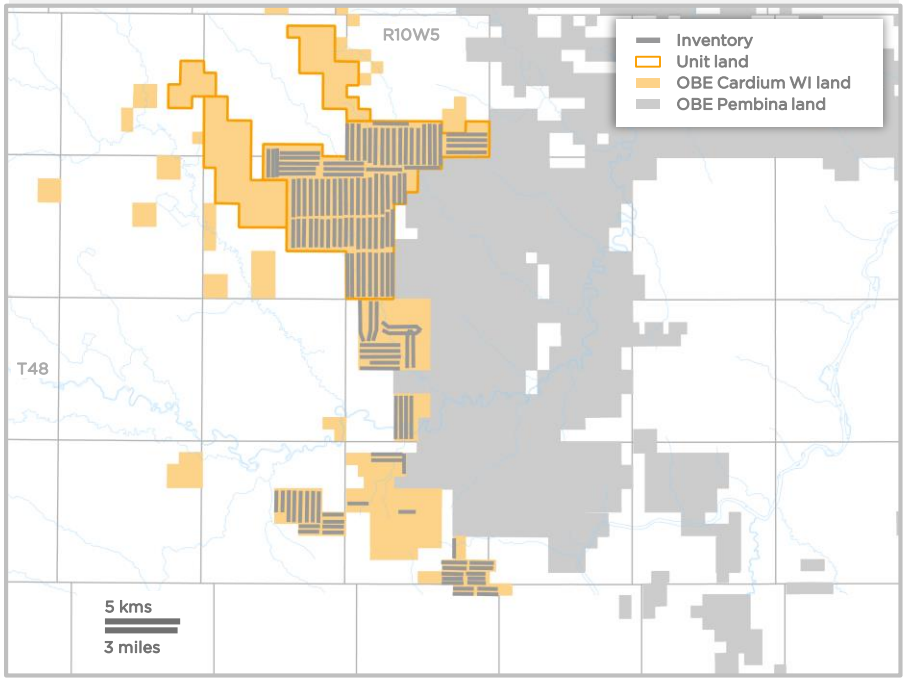
Summary

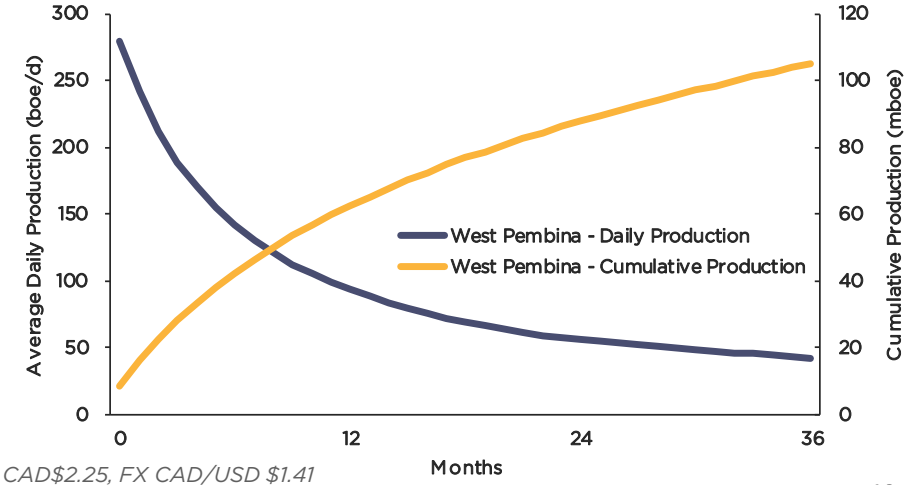
- Q1 2020 average production of 4,492 boe/d
- Proven oil rich Cardium trend with undeveloped primary development acreage
- Significant offsetting production from established Cardium players throughout the West side of Pembina
- Underdeveloped core acreage
- Existing flexible infrastructure with significant available capacity in multiple facilities
- Additional uncaptured inventory in non-operated lands



Economics

Total Capex ($MM)	$3.2
EUR (Mboe)	196
Oil IP365 (bbl/d)	148
Total IP365 (boe/d)	163
NPV BTAX 10% ($MM)	$2.2
IRR (%)	59%
Payout (years)	1.5
Technical F&D ($/boe)	$16.32
12M Efficiency ($/boed)	$19,630
Breakeven (IRR 10%) WTI ($US/bbl)	$28.86

Type Curve – West Pembina



**Economics Flat Pricing Assumptions: WTI USD$50.00, Ed Par Diff USD$6.00, AECO CAD$2.25, FX CAD/USD $1.41*

See end notes for additional information

Central Pembina – Long Term Focus

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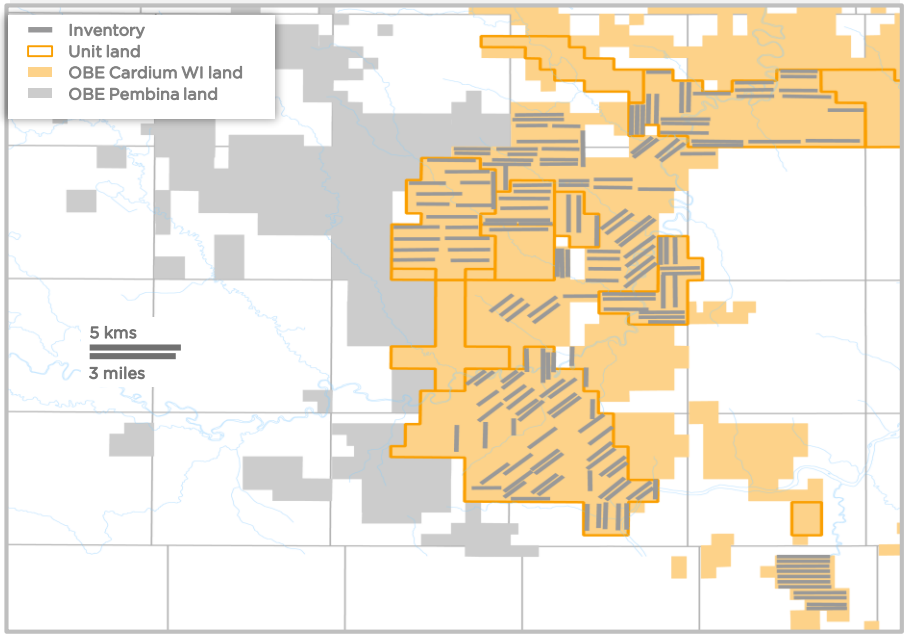
Summary

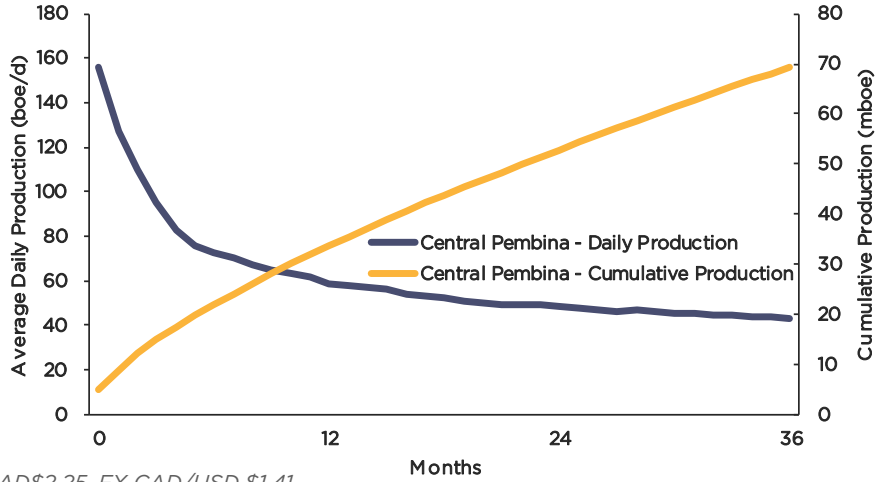
- Q1 2020 average production of 4,732 boe/d
- The epicenter of low decline and pressure maintained development
- Strong technical model is the foundation for additional development from unswept fairways
- Ability to de-risk through geological and reservoir modelling
- Proven and booked waterflood response as the foundation for growth – Strong F&D
- Ability to grow waterflood scale through existing wells and infrastructure for minimal capital cost allows for corporate decline maintenance



Economics

Total Capex ($MM)	$2.5
EUR (Mboe)	290
Oil IP365 (bbl/d)	73
Total IP365 (boe/d)	90
NPV BTAX 10% ($MM)	$2.2
IRR (%)	41%
Payout (years)	2.4
Technical F&D ($/boe)	$8.60
12M Efficiency ($/boed)	$27,930
Breakeven (IRR 10%) WTI ($US/bbl)	$25.94

Type Curve – Central Pembina



Economics Flat Pricing Assumptions: WTI USD$50.00, Ed Par Diff USD$6.00, AECO CAD$2.25, FX CAD/USD $1.41

See end notes for additional information

Peace River Oil Partnership (PROP)

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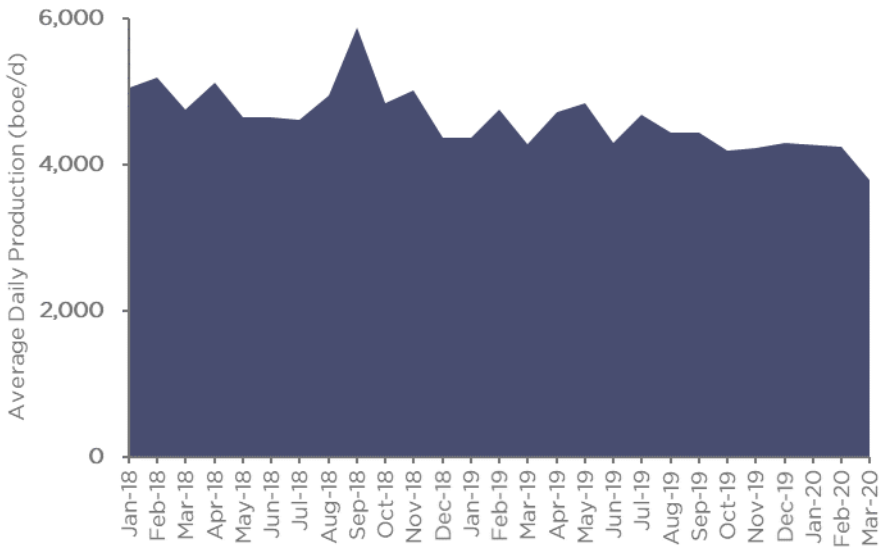
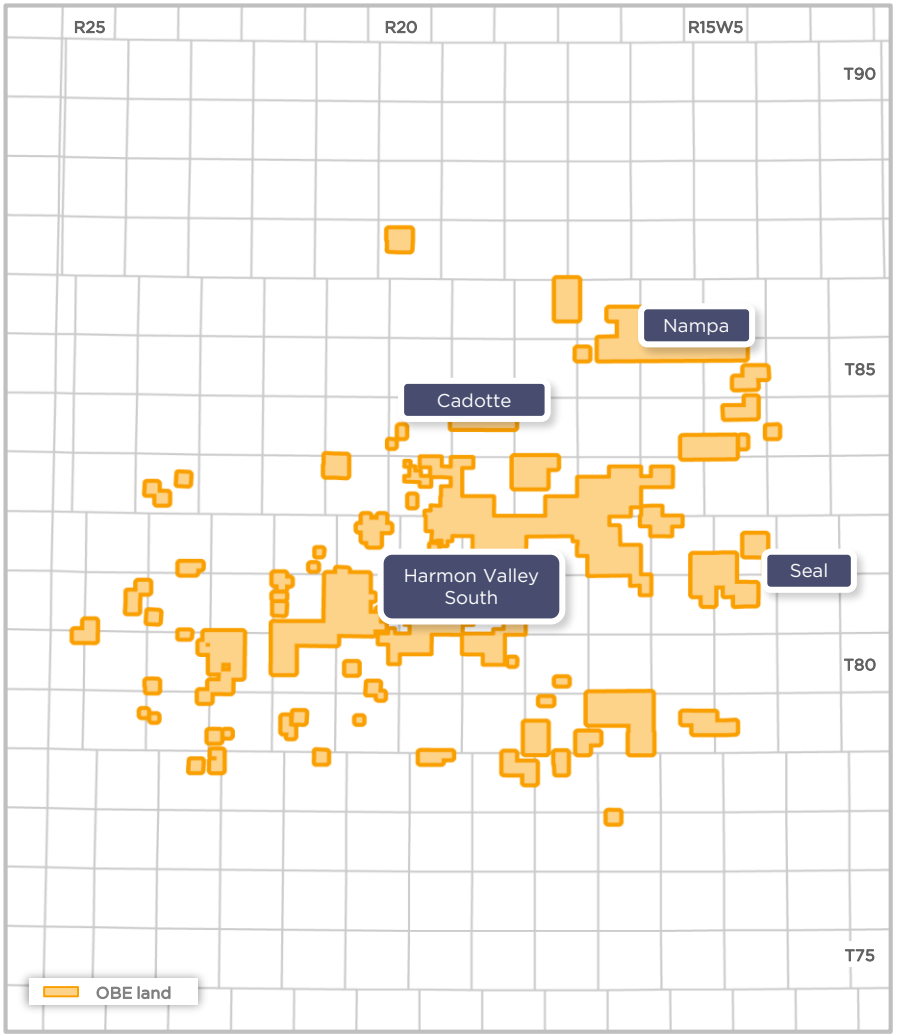
Summary

- Q1 2020 average production of 4,040 boe/d
- Large contiguous heavy oil resource developed with cold-flow, multi-leg horizontal wells
- Reliable and steady base production with multiple sales points to allow for pricing optimization
- Emerging Clearwater formation oil play and EOR potential provides additional upside
- In response to current economic conditions, 3,064 boe/d has been shut-in, as of May 1, 2020

Historical Production (boe/d)



PROP



See end notes for additional information

Corporate Cost Improvements

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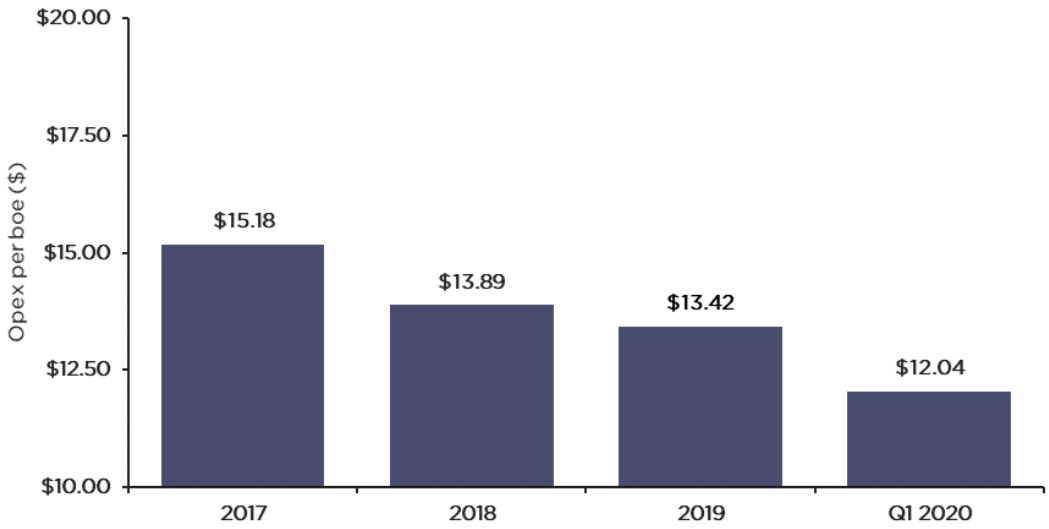
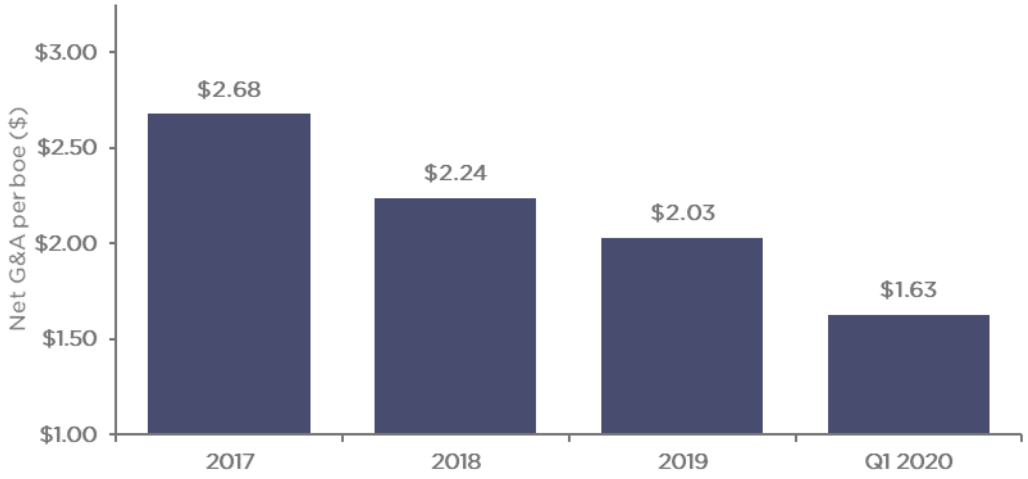
Corporate Opex



Corporate G&A



Commentary

Operating Costs

- Total reduction in Opex per boe of 21% from 2017 to Q1 2020

Further Opex Improvements

- Take advantage of Crimson Lake's low operating costs with continued development focus
- Continue to optimize and drive efficiencies across our entire Cardium footprint

G&A

- Total reduction in G&A per boe of 39% from 2017 to Q1 2020

See end notes for additional information

Decommissioning Liability Improvement

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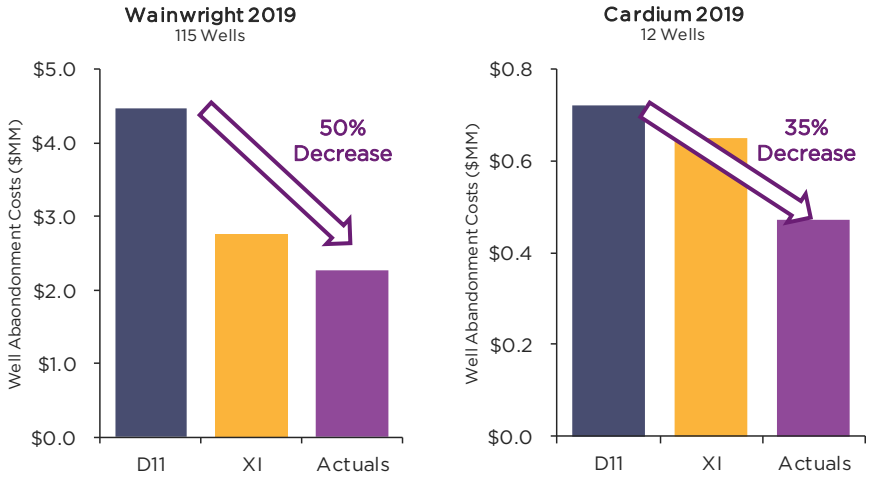
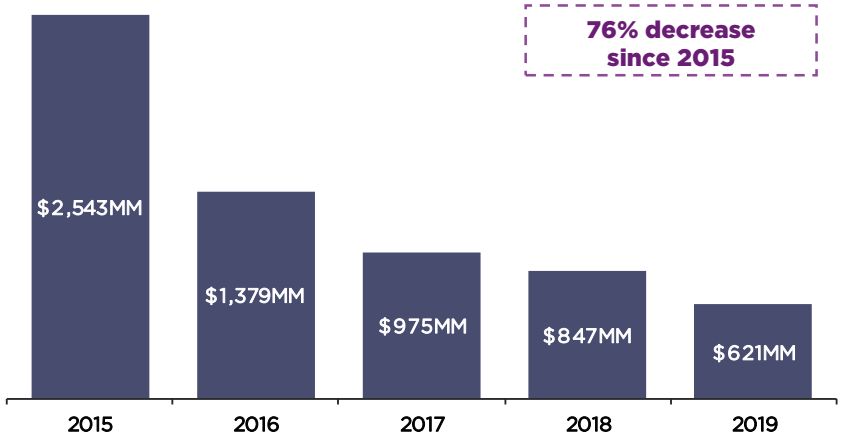
Commentary

- Obsidian Energy is a participant and supporter of the AER's Area-Base Closure (ABC) program
- 2019 ABC activity highlights
  - Savings of up to 50% on wellbore abandonments
  - 189 net downhole abandonments plus additional surface abandonments
  - 1,139 km net of pipelines abandoned
  - Pipeline abandonment activity now under $3,000/km
- Proactive engagement with the AER and Industry associations to drive improvements in regulations and best-practices
- Many wells in the Cardium can be reactivated, recompleted, or used for reservoir monitoring
- Applied for the first phase of the Alberta government abandonment and reclamation program ($100 million), whereby the government will fund service providers directly to perform abandonment and reclamation projects

YTD Well Abandonment Costs



Historical Reductions in Abandonment Costs – Undiscounted & Uninflated



See end notes for additional information

Undeveloped Reserves

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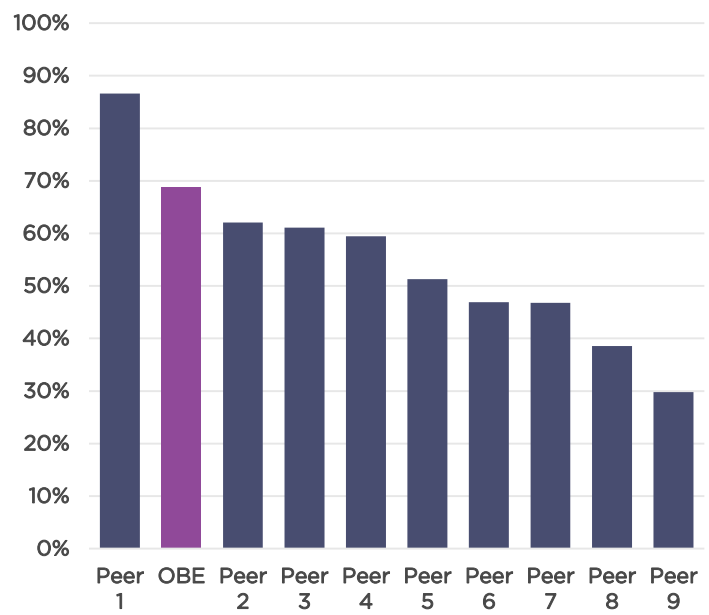
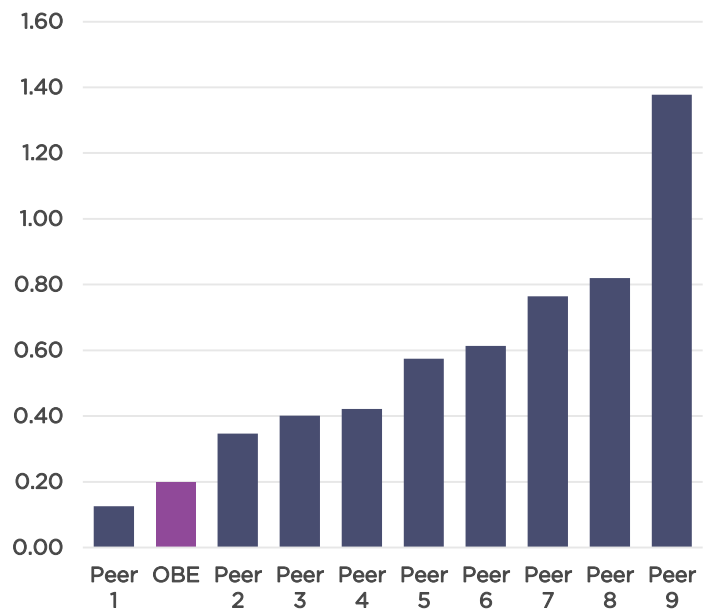
2019 PDP/1P Ratio



2019 2P Locations/Section



Commentary

- OBE has booked undeveloped locations based on achievable capital spending over the next 5 years. In comparison to peers, OBE is conservatively booked with one of the highest ratio of PDP/1P of all identified companies
- High PDP/1P ratio demonstrates mature asset base with low risk reserves that do not rely on significant capital spending
- OBE has a significant land base with a low booked location per section metric compared to peers indicating significant room to book future locations as development progresses

Current Hedge Strategy and Position

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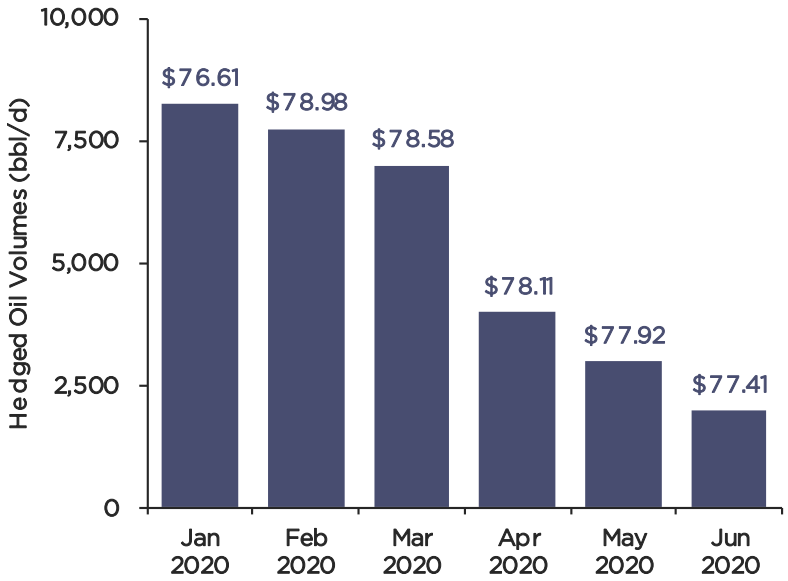
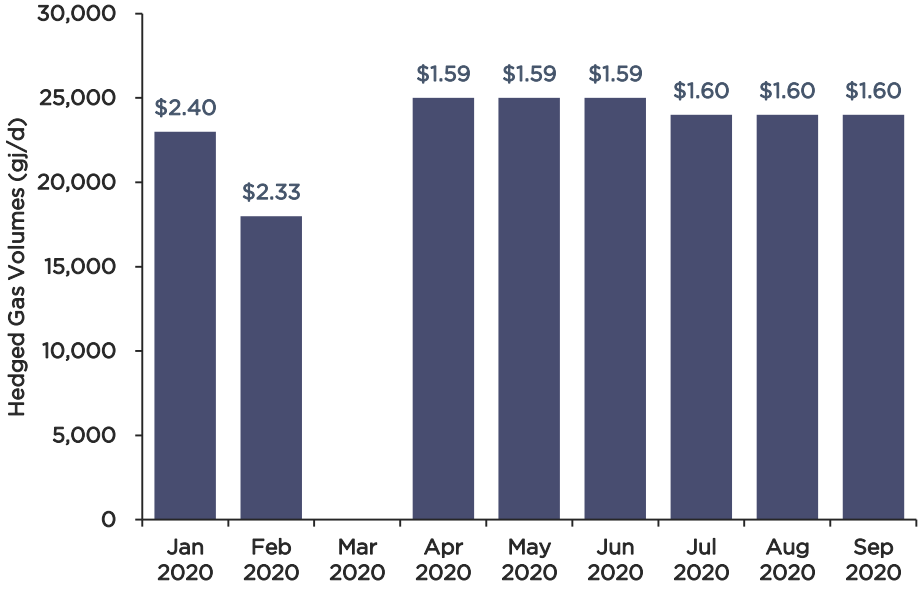
Hedging Strategy

- Hedge up to 50% of production volumes after royalty
- Hedge at price levels to:
  - Protect FFO
  - Support economic capital program
  - Potential debt repayment
- Hedges are done on a $CAD basis to avoid FX management

Hedged Oil Position & Exercise Price (CAD$/bbl)



Hedged Gas Position & Exercise Price (CAD$/GJ)



**Hedged Positions are current as of May 5, 2020*

See end notes for additional information

Environmental, Social & Governance

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Environmental

Obsidian Energy is committed to minimizing the impact of our operations on the environment.

The ABC program allows for significant progress on abandonment and reclamation of areas as a whole while increasing efficiencies and decreasing costs of managing our ARO profile.

Our environmental programs aim to meet or exceed all environmental regulation, encompass stakeholder communication, resource conservation, and proper site abandonment and reclamation practices.

Social

Obsidian Energy is committed to making a positive impact in the communities in which we operate and live.

Obsidian Energy supported and donated to children's development organizations, the Prostate Cancer Center, and mental health organizations in 2019.

Obsidian Energy is a member of Explorers and Producers Association of Canada (EPAC), supporting Canada's conventional energy producers and its employees across western Canada.

Governance

Obsidian Energy makes it a priority to ensure all stakeholders have a clear understanding of our approach to business operations and our expectations for regulatory compliance.

The Board is comprised of 88% independents, with an average tenure for Board members of 3 years.

Our governance policies include written documents such as a Diversity Policy, Business Conduct, Ethics Code of Conduct and Whistleblower Policy.

Experienced management and strong technical team

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Stephen E. Loukas, Interim President and Chief Executive Officer

- Vast experience in corporate transactions, capital markets, corporate finance and leadership
- Mr. Loukas is a partner, managing member, and portfolio manager at FrontFour Capital Group LLC, one of the Company's top shareholders, and has been a member of the Board of Directors since 2018

Peter D. Scott, Senior Vice President, Chief Financial Officer

- 30 years of extensive financial experience, 20 years in CFO roles primarily in Canadian Oil and Gas companies
- Previously, Senior Vice President and Chief Financial Officer at Ridgeback Resources Inc., previously Lightstream Resources Ltd.

Aaron Smith, Senior Vice President, Development & Operations

- 20 years of engineering expertise across a broad range of technical and leadership roles
- Prior to Obsidian, VP-level leadership roles at Sinopec Canada and early career experience in Corporate Planning, Completions, and Reservoir Engineering Encana Corp.

Gary Sykes, Vice President, Commercial

- Over 25 years of experience in a variety of technical, operational and managerial positions in domestic and international oil and gas, primarily with ConocoPhillips
- Extensive Board experience, including the Qatargas 3 joint venture, The Mackenzie Valley Pipeline Board and Calgary Zoo

Mark Hawkins, Vice President, Legal, General Counsel and Corporate Secretary

- Served as the corporate secretary at Obsidian Energy since 2015 and was formerly the General Counsel and Corporate Secretary
- 15 years of legal experience

Financial and commercial

Strong financial, commercial and capital markets experience leading the Company

Drilling, completions and Subsurface technical

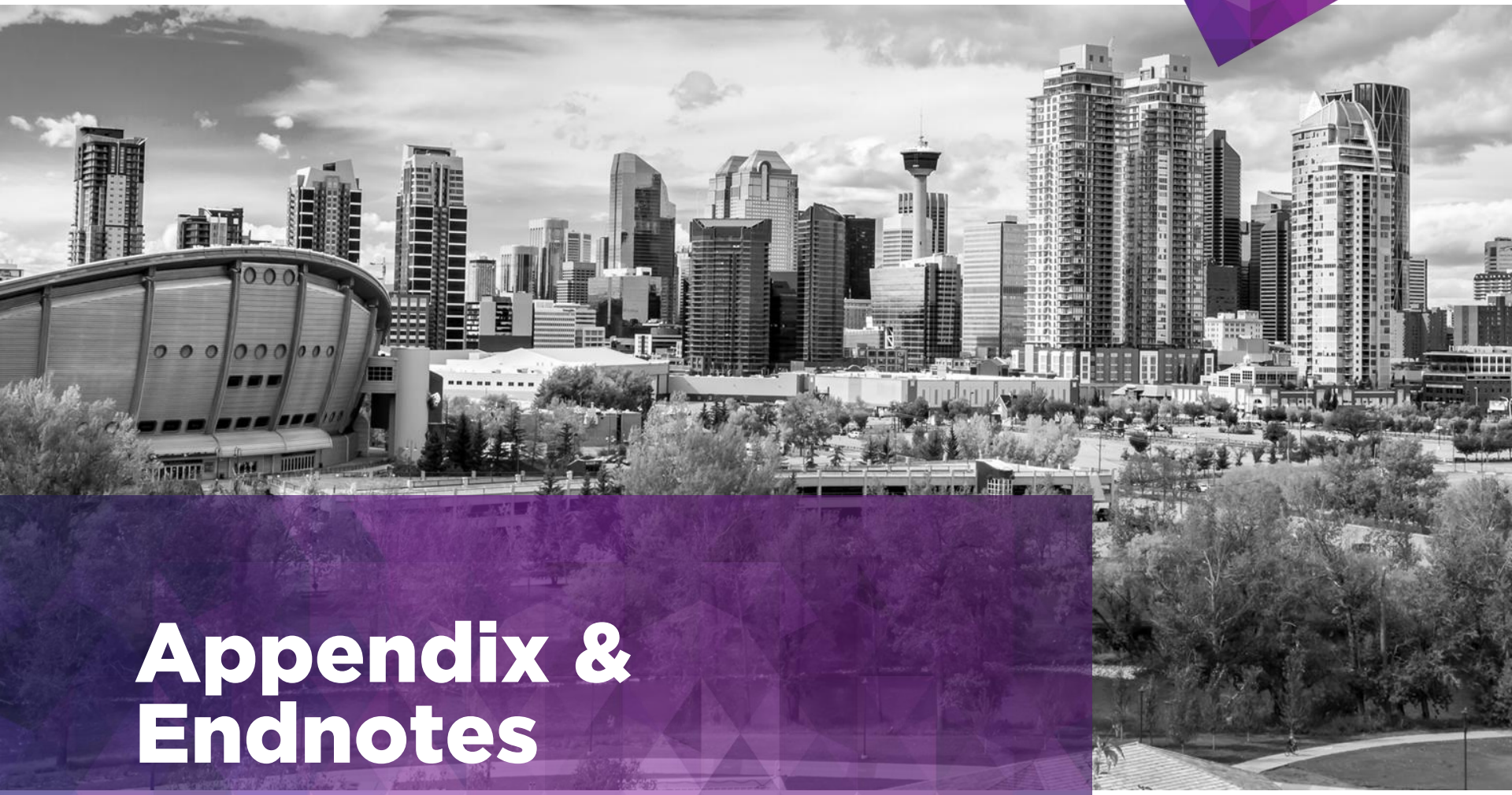
Strong understanding of geological subsurface, reservoir modelling, advanced design, construction and production of multi-stage fractured horizonal wells

Operations

Well-established routines with methodical planning and preparations, which has resulted in exemplary safety performance

Employees

Deeply experienced with long track-record, representing the top tier of Cardium expertise



Appendix & Endnotes

End Notes

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Slide 3: Corporate Overview
Market Capitalization and Enterprise Value was determined at the close of business on May 5, 2020. Net Debt, Tax Pools and Common Shares Outstanding is based on Q1 2020 financials.

Reserves (2P), RLI, NPV10, is based on 2P, PDP Decline are as disclosed in our press release dated February 6, 2020, titled "Obsidian Energy Releases 2019 Reserves Results" (the "**Release**").

See end note for Slide 13 – 17 for production breakdown.

Slide 6: Investment Highlights
Production amounts are averaged per well and the data set includes 38 wells for the IP30 and 33 wells for the IP90 wells. Year to date Opex in Willesden Green are as of December 2019. Drilling costs are averaged per a normalized 2,600m lateral well. Production and drilling costs are internal estimates.

See slide 11 for further details regarding 2018 internal estimates DCE&T costs.

Slide 7: 2020 Cardium Development Program
Timing is based on internal estimates. Optimization capital efficiency and oil weighting are internal estimates.

Slide 8: Execute Operationally Crimson 2018/2019 Development Program Summary
Production amounts and Drilling Costs are averaged per well. Production was calculated via data from Accumap with the following search parameters: Horizontal wells spud on or after January 1, 2018 in the Willesden Green Field and is current as of January 2020.

Slide 9: Execute Operationally – H1 2020 Development Program
H1 2020 Capital Summary is based on the corporate and operational update press release dated April 23, 2020.

Slide 10: Cardium Growth & Operational Improvements
Year to date numbers are as of December 2019. Liquids include oil, condensates, and propane. Production is A&D adjusted.

Slide 11: 2019 Optimization Program Overview
Production and Capital costs are internal estimates.

Slide 12: Crimson Lake Cost Reduction Trajectory
Costs have been normalized to a 2,600m lateral well and are internal estimates.

Slide 13: Cardium Play Fairways
Individual play fairways are Obsidian Energy defined trends displaying similar reservoir and geological characteristics. The "410 type curve assigned locations" are based on gross locations and are estimates that full field development based on the inventory locations outlined would achieve an estimated average production consistent with the defined type curve for that fairway. Type curves are defined by existing productive wells within the defined trend displaying similar reservoir and geological characteristics and normalized for horizontal length and completion. Inventory not included within the assigned 410 has not been assigned a production profile and has not been included in development plan models or forward-looking production estimates.

Slide 14 - 18: Asset Slides
Inventory locations are internal estimates and are subject to change. No inventory locations have been assigned to land where Obsidian Energy is not the operator.

Economic metrics are defined from provided type curves, on the Plan Pricing Scenario and break-even IRR10%.

Type curve production is defined by existing productive wells within the defined trend displaying similar reservoir and geological characteristics and normalized for horizontal length and completion. Development plan well counts are indicative and based on internal estimates under our Plan Pricing Scenario.

Historical PROP production includes production data as of March 31,3030.

Q1 2020 Asset Production is broken down as follows:
Crimson Lake: Light Oil – 5,028 bbl/d, NGL – 994 bbl/d, Gas – 21,857 mcf/d
East Crimson: Light Oil – 1,433 bbl/d, NGL – 332 bbl/d, Gas – 6,513 mcf/d
West Pembina: Light Oil – 3,075 bbl/d, NGL – 333 bbl/d, Gas – 6,505 mcf/d
Central Pembina: Light Oil – 2,661 bbl/d, Heavy Oil – 40 bbl/d, NGL – 508 bbl/d, Gas – 9,133 mcf/d
PROP: Light Oil – 0 bbl/d, Heavy Oil – 3,432 bbl/d, NGL – 3 bbl/d, Gas – 3,626 mcf/d
AB Viking: Light Oil – 219 bbl/d, Heavy Oil – 44 bbl/d, NGL – 37 bbl/d, Gas – 3,177 mcf/d
Legacy: Light Oil – 91 bbl/d, Heavy Oil – 128 bbl/d, NGL – 31 bbl/d, Gas – 1,367 mcf/d
Divested: Light Oil – 5 bbl/d, NGL – 0 bbl/d, NGL – 31 Gas – 2 mcf/d

Slide 20: Decommissioning Liability Improvement
Cost estimates are based on internal estimates.

Slide 21: Underdeveloped Reserves
Reserves data was collected from publicly available. Peers include BNE, CJ, IPO, PRQ, SGY, TVE, TOG, WCP and YGR.

Slide 22: Current Hedge Position and Strategy
Current Hedge Position and the weighted average price, or the "Exercise Price" is current as of May 5, 2020. All hedges have been executed in Canadian dollars.

(1) Production profiles are based on reserve profiles
(2) Reserves data based on YE 2019 reserves evaluation (Sproule Associates Limited)

Definitions and Industry Terms

OBSIDIAN ENERGY

PDP means proved developed producing reserves as per Oil and Gas Disclosures Advisory

1P means proved reserves as per Oil and Gas Disclosures Advisory

2P means proved plus probable reserves as per Oil and Gas Disclosures Advisory

12M Efficiency means 12 month capital efficiency in $/boe/d

ABC means area based closure program initiative from the AER

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

AER means Alberta Energy Regulor

ARO means Asset Retirement Obligation

Avg means Average

bbl and bbl/d means barrels of oil and barrels of oil per day, respectively

BHA bottom hole assembly

bopd means barrel of oil per day

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

CAD means Canadian Dollar

Capital Expenditures & Capex 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

D11 refers to the AER Directive 11 which governs Licensee Liability Rating (LLR) Program - Updated Industry Parameters and Liability Costs

DCE&T means drilling, completion, equip and tie-in

Decommissioning means decommissioning expenditures

Enviro means decommissioning expenditures

EOR means enhance oil recovery

EUR means estimated ultimate recovery

F&D means finding and development costs

Frac means fraccing or fracturing, short name for Hydraulic fracturing, a method for extracting oil and natural gas

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

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

FFO means funds flow from operations, detailed in the Non-GAAP measure advisory

FY means fiscal year

GJ/D means gigajoules per day

G&A means general and administrative expenses

GOR means gas oil ratio

H1 means first half of the year

H2 means second half of the year

Hz means horizontal well

IP means initial production, which is the average production over a specified number of days

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

Liquids means crude oil and NGLs

LLR means Licensee Liability Rating Program

M or k means thousands

MM means millions

MMcf means million cubic feet and MMcf/d means million cubic feet per day

Mboe means thousand barrels oil equivalent

MMboe means million barrels oil equivalent

Mbbl & MMbbl means thousands barrels of oil and million barrels of oil, respectively

MSW means Mixed Sweet Oil Blend. It is often referred to as Edmonton Par

N, S, E, W means the North, South, East, West or in any combination

NAV means net asset value

Netback means the summary of all costs associated with bringing one unit of oil to the marketplace and the revenues from the sale of all products generated from that same unit and is expressed as a gross profit per barrel

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

NPV means net present value, before tax discounted at 10 percent

NYSE means New York Stock Exchange

Opex means operating costs

Payout means the time it takes to cover the return of your initial cash outlay

PCU means Pembina Cardium Unit

Plan Pricing Scenario means the flat price deck at WTI USD$50.00, Ed Par Diff USD$6.00, AECO CAD$2.25, FX CAD/USD $1.41

POR means porosity

Perm means permeability

PROP and Peace River means Peace River Oil Partnership

Release means our a press release dated February 6, 2020

Recycle Ratio means Netback divided by F&D

RLI means Reserve Life Index

SEC means U.S. Securities and Exchange Commission

Spud means the process of beginning to drill a well

Unbooked means locations that are internal estimates based on Obsidian Energy's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of Obsidian Energy's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information.

USD means United States Dollar

WCS means Western Canadian Select

WI means working interest

WF means waterflood

WTI means West Texas Intermediate

YE means year end

YOY means year over year

YDT means year to date

Non-GAAP Measures Advisory

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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:

Enterprise Value is the measure of a company's total value and includes all ownership interests and asset claims from both debt and equity. It is calculated as share price multiplied by total shares outstanding plus Net Debt

Funds flow is cash flow from operating activities before changes in non-cash working capital, decommissioning expenditures and office lease settlements

Funds flow from operations or FFO is cash flow from operating activities before changes in non-cash working capital, decommissioning expenditures and office lease settlements which also excludes the effects of financing related transactions from foreign exchange contracts and debt repayments and certain other expenses and is representative of cash related to continuing operations.

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

Oil and Gas Information Advisory

OBSIDIAN ENERGY

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.

Inventory

This presentation discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Sproule Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources.

Corporately, the Company has 212 gross booked proved locations and 228 gross booked probable locations as set forth in the Sproule Report.

Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves or production.

Reserves Disclosure and Definitions

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Unless otherwise noted, any reference to reserves in this presentation are based on the report ("**Sproule Report**") prepared by Sproule Associates Limited dated February 3, 2020 where they evaluated one hundred percent of the crude oil, natural gas and natural gas liquids reserves of Obsidian Energy and the net present value of future net revenue attributable to those reserves effective as at December 31, 2019. For further information regarding the Sproule Report, see our Release. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Production and Reserves

The use of the word "gross" in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share before deduction of royalties and without including our royalty interests, (ii) in relation to wells, means the total number of wells in which we have an interest, and (iii) in relation to properties, means the total area of properties in which we have an interest. The use of the word "net" in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share after deduction of royalty obligations, plus our royalty interests, (ii) in relation to our interest in wells, means the number of wells obtained by aggregating our working interest in each of our gross wells, and (iii) in relation to our interest in a property, means the total area in which we have an interest multiplied by the working interest owned by us. Unless otherwise stated, production volumes and reserves estimates in this presentation are stated on a gross basis. All references to well counts are net to the Company, unless otherwise indicated.

Reserve Definitions

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

> **proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
>
> **probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories:

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

> **Developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
>
> **Developed non-producing reserves** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable) to which they are assigned.

For additional reserve definitions, see the Release.

Forward-Looking Information Advisory

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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. Please note that initial production and/or peak rates are not necessarily indicative of long-term performance or ultimate recovery. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the following: our first half 2020 guidance including production, capital expenditures including decommissioning, operating and G&A cost range; the expected decline rates and reserve life index on reserves; our go-forward strategic priorities in both the short and long term; our cost control measures for operating costs, personnel costs and office lease gong forward; the potential impact of the government aid programs and that we will evaluate the applicability and potential benefit of the credit liquidity enhancement program to our situation; that our flexible operations allow for quick reaction to commodity price changes at minimal cost without risk of long-term reservoir impairment; that there are additional opportunities in the portfolio, such as waterflood and EOR projects, which become competitive with increased pricing; our ability to grow near-term production in both Wilesden Green and Pembina with minimal infrastructure spend; our Cardium development program including timing, locations, costs, optionality, spacing and frac design; that the 10 weell H1 Cardium program are either on production or ready to produce as desired by the Company; our current H1 2020 capital summary and flexibility depending on commodity price; how our optimization program is repeatable and impactful; that certain locations have been de-risked due to various reasons; how we plan to target certain oil banks and the keys to its success; how we plan to reduce certain costs; our potential locations; that the emerging Clearwater formation oil play provides potential upside with stacked development potential and that there is future EOR potential which can provide additional upside; our ability to waterflood certain locations and for minimal capital through existing infrastructure and impact that has on corporate decline maintenance; that we are proactively engaging with the AER and industry associates to drive improvements and best-practices; that many wells in the Cardium can be reactivated, recompleted, or used for reservoir monitoring; that the Company has significant room to book future location as development progresses; our hedge thresholds, pricing levels, and impact that has on the Company generally; and our goals for environmental, social and governance programs.

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 2020 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: we will have the ability to continue as a going concern going forward and realize our assets and discharge our liabilities in the normal course of business; our ability to complete asset sales and the terms and timing of any such sales; the Alberta government mandated production curtailment; the impact of regional and/or global health related events on energy demand; global energy policies going forward; 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; that we are able to move forward through the various reconfirmation, redetermination dates with the credit facility and 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 End Notes 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 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; the impact that any government assistance programs could have on the Company in connection with, among other things, the COVID-19 pandemic and other regional and/or global health related events; the possibility that we are not able to continue as a going concern and realize our assets and discharge our liabilities in the normal course of business; the impact on energy demands due to regional and/or global health related events; 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 Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) which 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 May 5, 2020. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward.