



OBSIDIAN
ENERGY

A Comparison

PennWest



Two Different Companies

PennWest



Balance sheet burdened by heavy debt
Debt to funds flow ratio of over 10 times



Healthy balance sheet
Debt to funds flow ratio of only 2.0 times

One of Canada's largest E&Ps
producing nearly 200,000 boepd in 2012



Entrepreneurial intermediate company
producing approximately 30,000 boepd

Broad suite of assets across four provinces



Focused key development areas in Alberta

Not enough near term cash flow to
develop widespread suite of assets



Fully funded growth platform
within today's price environment

Management team focused on
paring down assets to manage cash flow



New management team best
suited to lead us to deliver growth

Employed over 2,000 people
across 25 office floors and 15 field offices



Aligned the right people with our assets,
streamlined corporate to 2.5 floors and 4 field offices

Policies and procedures
of a large corporation



Reevaluated policies and procedures
to meet our needs today



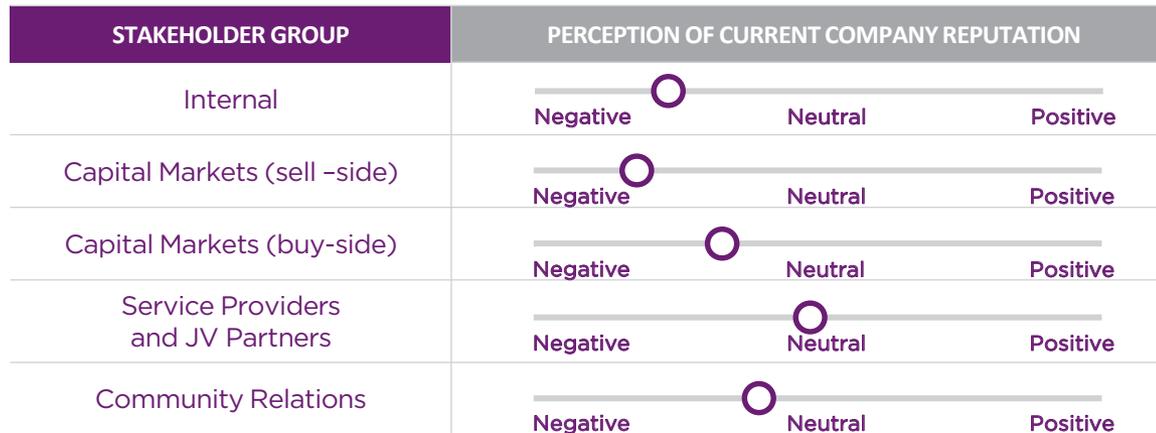
Why Rebrand?



Why Rebrand?

Stakeholder consultation:

Earlier this year, we conducted a perception study by speaking with people across several major stakeholder groups.



Conclusion:

- This study told us that the reputation of the company largely reflects the Penn West of the past including the past few years of challenges.
- A rebrand would help the company redefine ourselves and start a new conversation about who the company is today.

Main themes that came from perception study:

- **Inconsistent communication** – didn't do what we said we were going to do
- **Big company mentality** – processes, slow to react, promotional
- **Poor financial management**
- **Transitioning** - unsure of the size and shape of the company after all the changes that have taken place
- **It's a wait and see story**

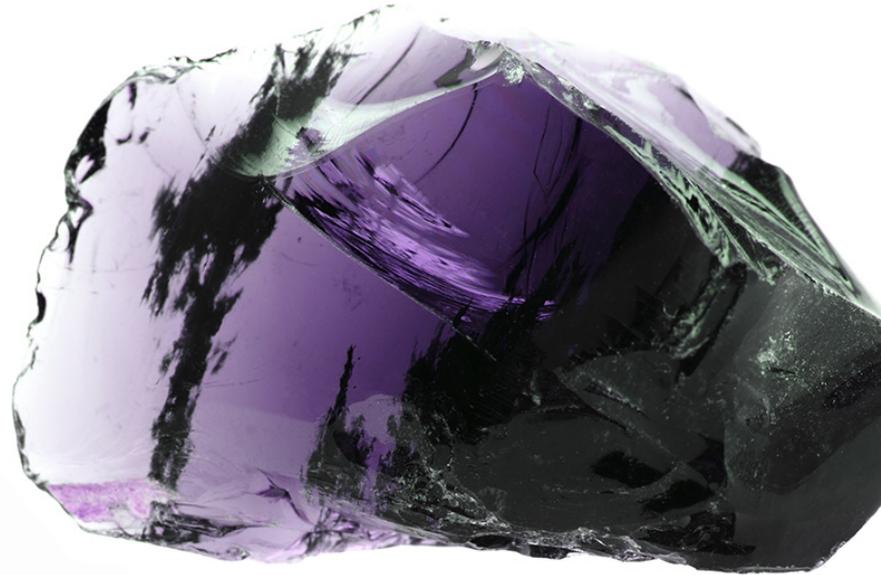


Why Obsidian Energy?

Obsidian is a naturally occurring volcanic glass formed when molten rock cools rapidly. Obsidian is created through a geological process transforming into a substance of strength, dependability and longevity.

Obsidian has been used throughout human history as tools for hunting, and as precious stones for trade. It is commonly used today as the tip of scalpels in the medical field as it is sharper and smoother than many medical grade steels.

The name honours that our basis of work is a natural resource that is honed to support the good of mankind. To us, the name, Obsidian Energy, also reflects that we will build a bright future shaped by discipline and precision; our company will be intentional and professional in everything we do.



What Obsidian Energy Means to Us

Disciplined

Technically and commercially guided by clear purpose and intention, with focused resources and capability to act and learn

Relentless

Passionately driven to meet our goals and deliver meaningful results

Accountable

Deeply committed to one another, our shareholders, our partners, and our neighbours to be the company of choice



Annual and Special Meeting

WHEN: Monday, June 26, 2017, at 10:00 a.m.
(Mountain Daylight Time)

WHERE: Metropolitan Conference Centre
333 - 4th Avenue SW
Calgary, Alberta

Associated Meeting Materials

Shareholders are reminded to review the management information circular (the “Circular”) prior to voting as the Circular has been prepared to help you make an informed decision.

The meeting materials (including the Circular) can be viewed online through the Company’s website www.pennwest.com, its profile on www.sedar.com or www.sec.gov and at the following internet address: www.meetingdocuments.com/cst/pwt.

You can also call our proxy solicitation agent, Kingsdale Advisors, at 1-800-775-1986 (toll-free within North America) or 416-867-2272 (collect call outside North America) if you have any questions or concerns.

