



CreditRiskMonitor's assessment of Bellatrix Exploration Ltd. ("Bellatrix")
"high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Bellatrix Exploration Ltd.(TSX: BXE) at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2019
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Bellatrix Exploration Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

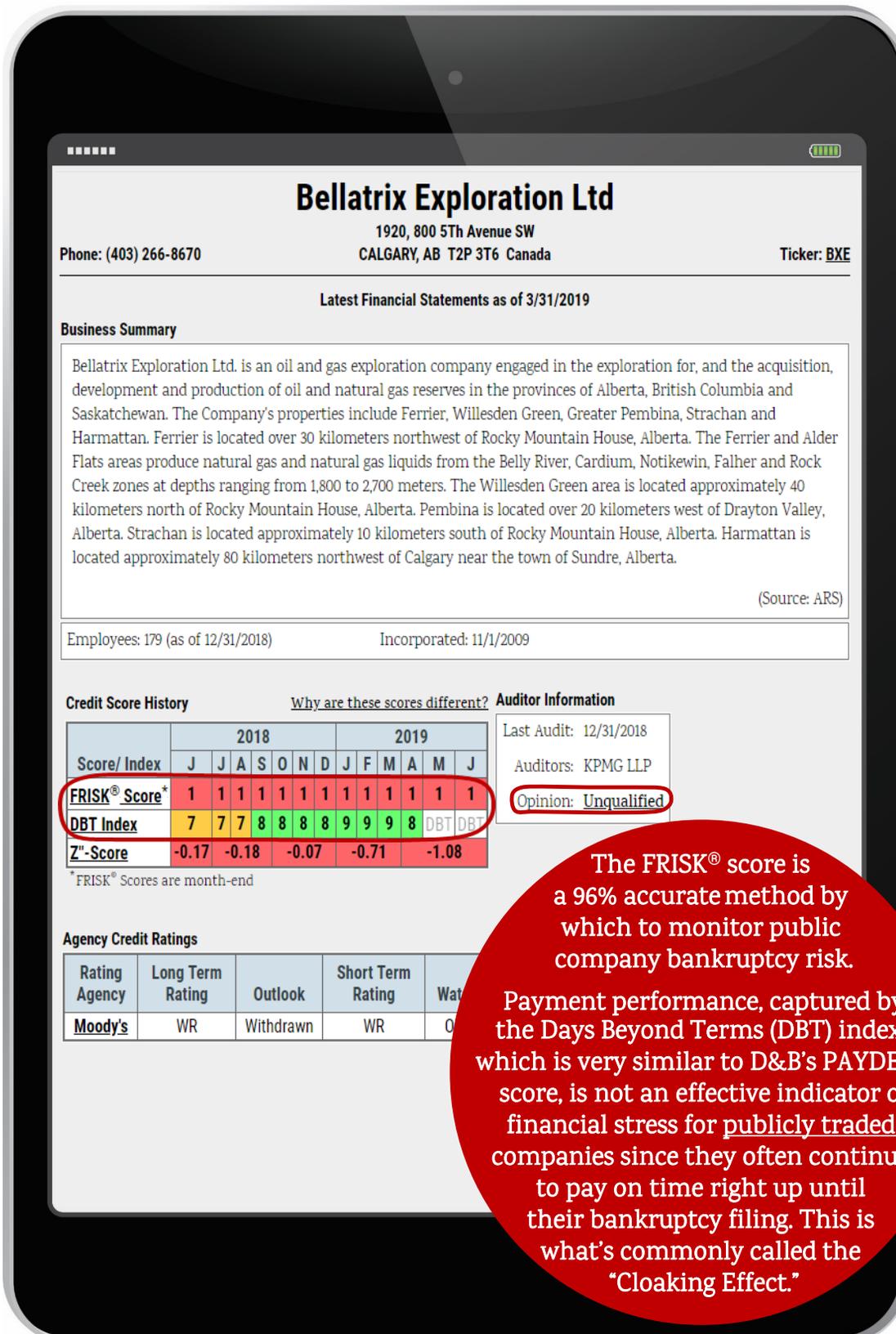
Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company's management and sales representatives to be alerted to concerns in a public company's performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation's quarterly journal article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"](#)

COMPANY REPORT DETAIL



Bellatrix Exploration Ltd

1920, 800 5Th Avenue SW
CALGARY, AB T2P 3T6 Canada

Phone: (403) 266-8670

Ticker: BXE

Latest Financial Statements as of 3/31/2019

Business Summary

Bellatrix Exploration Ltd. is an oil and gas exploration company engaged in the exploration for, and the acquisition, development and production of oil and natural gas reserves in the provinces of Alberta, British Columbia and Saskatchewan. The Company's properties include Ferrier, Willesden Green, Greater Pembina, Strachan and Harmattan. Ferrier is located over 30 kilometers northwest of Rocky Mountain House, Alberta. The Ferrier and Alder Flats areas produce natural gas and natural gas liquids from the Belly River, Cardium, Notikewin, Falher and Rock Creek zones at depths ranging from 1,800 to 2,700 meters. The Willesden Green area is located approximately 40 kilometers north of Rocky Mountain House, Alberta. Pembina is located over 20 kilometers west of Drayton Valley, Alberta. Strachan is located approximately 10 kilometers south of Rocky Mountain House, Alberta. Harmattan is located approximately 80 kilometers northwest of Calgary near the town of Sundre, Alberta.

(Source: ARS)

Employees: 179 (as of 12/31/2018)

Incorporated: 11/1/2009

Credit Score History

[Why are these scores different?](#)

Auditor Information

Score/ Index	2018						2019						
	J	J	A	S	O	N	D	J	F	M	A	M	J
FRISK[®] Score*	1	1	1	1	1	1	1	1	1	1	1	1	1
DBT Index	7	7	7	8	8	8	8	9	9	9	8	DBT	DBT
Z⁻ Score	-0.17	-0.18	-0.07	-0.07	-0.71	-1.08							

Last Audit: 12/31/2018

Auditors: KPMG LLP

Opinion: Unqualified

*FRISK[®] Scores are month-end

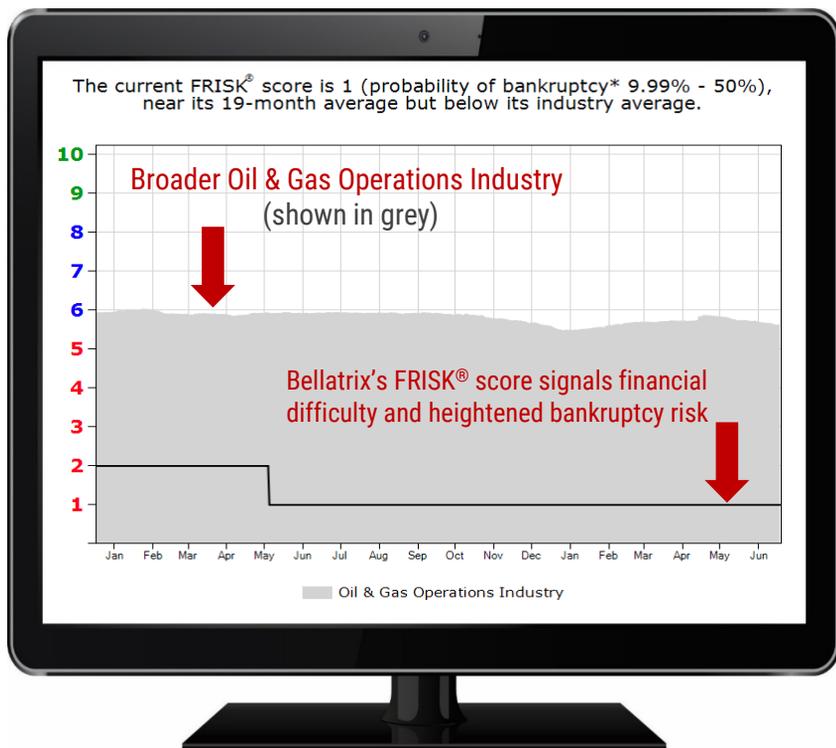
Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Wat
Moody's	WR	Withdrawn	WR	0

The FRISK[®] score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX[®] score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

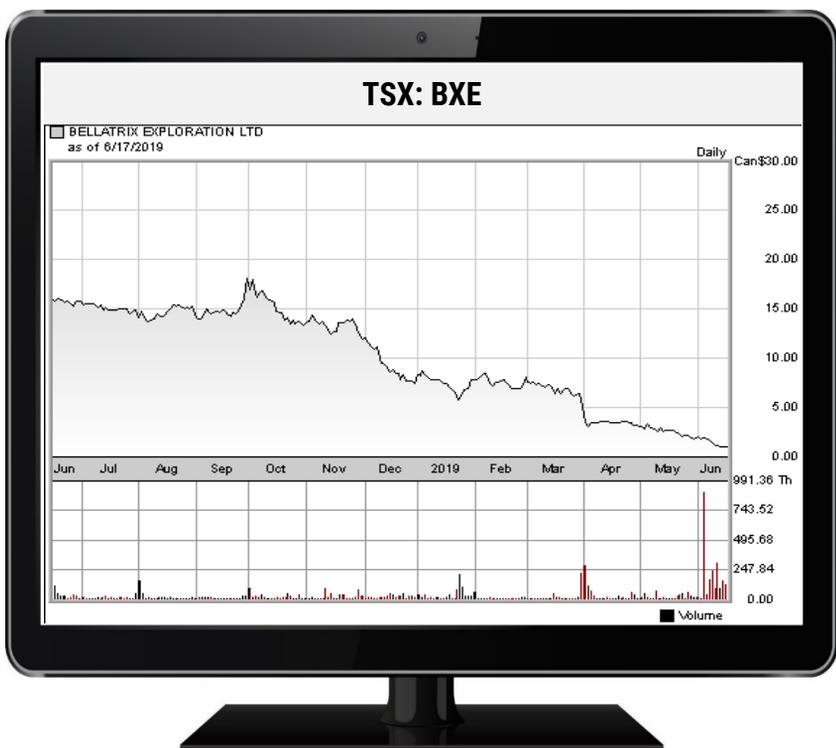
FRISK® DEEP DIVE



The FRISK[®] score relative to the broader Oil & Gas Operations industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK[®] score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Altima Resources Ltd.	Canada	1
2	Bellatrix Exploration Ltd	Canada	1
3	California Resources Corp	United States	1
4	Denbury Resources Inc.	United States	1
5	Dome Energy AB (publ)	United States	1
6	EP Energy Corporation	United States	1
7	EP Energy LLC	United States	1
8	Extraction Oil & Gas Inc	United States	1
9	Halcon Resources Corp	United States	1
10	Legacy Reserves Inc	United States	1

FRISK® Stress Index - SIC classification: Crude petroleum and natural gas located in North American Service

Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR

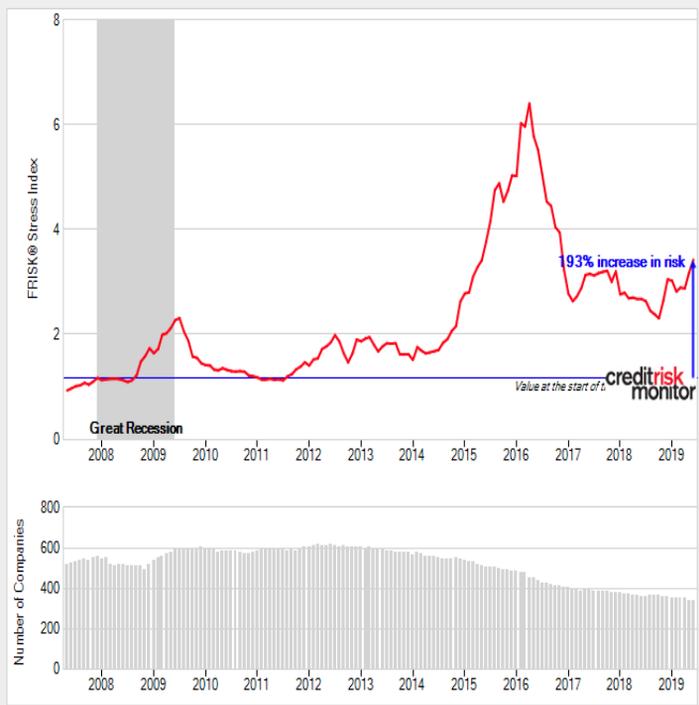
In Industry: SIC 1311: Crude petroleum and natural gas

Country: North American Service

UPDATE RESULTS

Scale: Auto

Total Companies in all months 1,032



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 1311 (Crude petroleum and natural gas) has increased 193% since 2007. Bellatrix is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Bellatrix demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis

Year/Quarter: 2019.1
Peer Group: SIC 5311: Department stores

REFRESH

[SIC: 1311] [Calendar Year/Quarter: 2019.1]

Businesses in Peer Group: 3436	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
ZScore	385	544	-1.08	-66,925.91	1.19	243.29
Credit Ratings						
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	N/A	243	N/A	-6,934	65,300	83,735,000
Gross Margin % Of Sales	137	468	68.33	-549.45	46.28	636.29
Gross Margin % Of Sales -- TTM	205	477	56.41	-1,107.97	48.12	102.51
SG&A % Of Sales	331	494	21.00	0.06	13.46	23,550.00
SG&A % Of Sales -- TTM	377	501	26.58	0.06	13.46	23,550.00
Operating Margin % Of Sales	393	513	-14.30	0.00	11.84	800.00
Operating Margin % Of Sales TTM	419	520	-30.00	0.00	11.84	800.00
EBITDA Margin Of Sales	180	397	35.00	0.00	11.84	800.00
EBITDA Margin Of Sales -- TTM	236	421	21.00	0.00	11.84	800.00
Net Profit Margin % Of Sales	400	512	-31.00	0.00	11.84	800.00
Net Profit Margin % Of Sales - TTM	446	520	-73.00	0.00	11.84	800.00
Pre-tax Income % Of Sales	395	512	-31.00	0.00	11.84	800.00
Effective Tax Rate	88	450	0.00	0.00	1.02	129.30
Depreciation % Of Prop/Plant/Equipment	259	488	9.00	0.00	1.02	129.30
Capital Expense % Of Prop/Plant/Equipment	128	423	6.72	0.00	1.02	129.30
Interest Coverage	239	396	1.84	-1,125.40	2.90	352.00
Interest Coverage -- TTM	313	436	0.77	-2,512.36	2.89	627.52
Liquidity ratios:						
Cash Ratio	548	569	0.00	0.00	0.23	128.36
Quick Ratio	488	529	0.08	0.00	0.64	129.20
Current Ratio	483	569	0.31	0.00	1.02	129.30
Efficiency ratios:						
Accounts Receivable Turnover	43	533	19.70	-0.30	7.19	278.63
Days Sales Outstanding	72	514	18.53	-1,229.53	45.22	9,652.65
% of Inventory Financed by Vendors	N/A	240	N/A	1.29	147.33	26,848.28
% of Inventory Financed by Vendors -- TTM	N/A	247	N/A	3.04	151.19	29,219.42
Inventory Turnover	N/A	312	N/A	0.00	8.66	1,025.79
Inventory Turnover TTM	N/A	317	N/A	0.00	9.05	948.56
Days Sales in Inventory	N/A	295	N/A	0.36	40.48	30,101.06
Inventory to Working Capital	N/A	308	N/A	0.00	0.00	0.00
Accounts Payable Turnover	N/A	374	N/A	0.00	0.00	0.00
Accounts Payable Turnover -- TTM	N/A	378	N/A	0.00	0.00	0.00
Leverage & debt coverage:						
Total Debt to Equity Ratio	296	432	0.00	0.00	0.94	352.30
Debt to Tangible Equity Ratio	271	423	0.00	0.00	0.94	352.30
Total Debt to Assets Ratio	341	499	0.00	0.00	0.94	352.30
Short-Term Debt % of Total Debt	148	420	2.00	0.00	0.94	352.30
Short-Term Debt % of Working Capital	328	422	-66.00	0.00	0.94	352.30
Liabilities to Net Worth Ratio	253	496	1.00	0.00	0.94	352.30
Total Liabilities to Equity Ratio	270	505	1.00	0.00	0.94	352.30
TTM EBITDA Over Total Debt	312	409	0.09	-258.67	0.32	398.57
Net Debt Over TTM EBITDA	N/A	309	N/A	-15.65	1.75	142.83

Rank	Company Name
1	Altai Resources Inc
2	Reserve Petroleum Co
3	Newton Energy Corp
4	Blockchain2 Corp
5	Cobra Venture Corporation

Rank	Company Name
1	Parex Resources Inc
2	Sngn Romgaz Sa
3	Ipek Dogal Enerj Kynklr Arstrm v Urtm AS
4	Leucrotta Exploration Inc
5	Hibiscus Petroleum Bhd

TTM = trailing 12 months
N/A = Not Available

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Negative cumulative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018
Net Sales \$	\$61,276	\$51,549	\$45,850	\$47,922	\$59,602
% change	18.87%	12.43%	-4.32%	-19.60%	8.70%
Gross Margin \$	\$41,872	\$30,339	\$22,060	\$22,280	\$32,718
% change	38.01%	37.53%	-0.99%	-31.90%	16.13%
% of sales	68.33%	58.85%	48.11%	46.49%	54.89%
change as % of incremental sales	118.57%	145.27%	n/m	n/m	95.24%
SG&A \$	\$12,869	\$14,195	\$13,468	\$14,258	\$13,250
% change	-9.34%	5.40%	-5.54%	7.61%	-9.66%
% of sales	21.00%	27.54%	29.37%	29.75%	22.23%
change as % of incremental sales	-13.63%	12.76%	n/m	n/m	-29.69%
Operating margin \$	(\$8,893)	(\$15,536)	(\$17,235)	(\$20,820)	(\$8,299)
% change	42.76%	9.86%	17.22%	-150.87%	70.09%
% of sales	-14.51%	-30.14%	-37.59%	-43.45%	-13.92%
change as % of incremental sales	68.29%	29.81%	n/m	n/m	407.50%
EBITDA \$	\$21,447	\$8,195	\$6,937	\$7,623	\$30,945
% change	161.71%	18.13%	-9.00%	-75.37%	132.18%
% of sales	35.00%	15.90%	15.13%	15.91%	51.92%
change as % of incremental sales	136.24%	22.07%	n/m	n/m	369.17%
EBIT \$	(\$8,893)	(\$17,814)	(\$18,518)	(\$20,901)	\$3,507
% change	50.08%	3.80%	11.40%	-695.98%	112.70%
% of sales	-14.51%	-34.56%	-40.39%	-43.61%	5.88%
change as % of incremental sales	91.71%	12.35%	n/m	n/m	652.26%
Pre-tax income \$	(\$19,109)	(\$20,359)	(\$16,311)	(\$47,250)	(\$14,124)
% change	6.14%	-24.82%	65.48%	-234.54%	25.12%
% of sales	-31.19%	-39.49%	-35.57%	-98.60%	-23.70%
change as % of incremental sales	12.85%	-71.03%	n/m	n/m	99.29%
Net income (loss) \$	(\$19,109)	(\$89,788)	(\$8,882)	(\$34,768)	(\$12,901)
% change	78.72%	-910.90%	74.45%	-169.50%	1.16%
% of sales	-31.19%	-174.18%	-19.37%	-72.55%	-21.65%
change as % of incremental sales	726.63%	-1,419.65%	n/m	n/m	3.19%
Tax expense \$	\$0	\$69,429	(\$7,429)	(\$12,482)	(\$1,223)
Effective tax rate	0.00%	-341.02%	45.55%	26.42%	8.66%
Depreciation expense \$	\$30,340	\$26,009	\$25,455	\$28,524	\$27,438
% of sales	49.51%	50.45%	55.52%	59.52%	46.04%
% of capital expenses	147.53%	80.30%	344.08%	488.76%	112.14%
% of PP&E, net (annualized)	9.92%	8.88%	8.68%	9.55%	9.09%
Capital expenditures \$	\$20,566	\$32,390	\$7,398	\$5,836	\$24,468
% change	-36.51%	337.82%	26.76%	-76.15%	-6.63%
% of PP&E, net (annualized)	6.72%	11.06%	2.52%	1.95%	8.10%
% of working capital (annualized)	-102.44%	-302.79%	-156.14%	-153.65%	-586.17%
Interest coverage ratio	1.84	0.83	0.70	0.29	1.76
% change	121.58%	19.01%	141.51%	-83.52%	26.79%
Free cash flow \$	(\$13,040)	(\$4,151)	\$219	\$6,168	(\$9,853)
% change	-214.14%	-1,995.43%	-96.45%	162.60%	22.91%

Source:

Interim Report ARS Interim Report Interim Report Interim Report
5/15/2019 3/14/2019 11/1/2018 8/2/2018 5/8/2018

NOTE: This is a Canadian company whose reported financial statements are denominated in Canadian Dollars and whose current financial statements are reported under International Financial Reporting Standards.

QUARTERLY LEVERAGE RATIOS

Total debt in relation to tangible net worth has increased significantly, indicating heightened risk

Increasing reliance on short-term debt suggests that funding options may be increasingly limited

Leverage Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Total debt \$	\$512,327	\$435,364	\$412,553	\$422,231	\$422,481
% change	17.68%	5.53%	-2.29%	-0.06%	-0.61%
Stockholders' equity \$	\$653,613	\$672,725	\$739,955	\$747,191	\$761,233
% change	-2.84%	-9.09%	-0.97%	-1.84%	-1.65%
Total debt to equity ratio	0.78	0.65	0.56	0.57	0.56
% change	21.11%	16.09%	-1.34%	1.82%	1.06%
Tangible net worth \$	\$653,613	\$672,725	\$739,955	\$747,191	\$761,233
% change	-2.84%	-9.09%	-0.97%	-1.84%	-1.65%
Total debt to tangible net worth	0.78	0.65	0.56	0.57	0.56
% change	21.11%	16.09%	-1.34%	1.82%	1.06%
Total assets \$	\$1,308,915	\$1,235,743	\$1,286,877	\$1,311,330	\$1,330,129
% change	5.92%	-3.97%	-1.86%	-1.41%	-0.81%
Total debt to assets ratio	0.39	0.35	0.32	0.32	0.32
% change	11.10%	9.89%	-0.43%	1.39%	0.19%
Tangible assets \$	\$1,308,915	\$1,235,743	\$1,286,877	\$1,311,330	\$1,330,129
% change	5.92%	-3.97%	-1.86%	-1.41%	-0.81%
Short-term debt \$	\$64,355	\$49,672	\$1,836	\$1,830	\$2,930
% change	29.56%	2,605.45%	0.33%	-37.54%	-85.91%
Short-term debt % of total debt	12.56%	11.41%	0.45%	0.43%	0.69%
% change	10.10%	2,463.89%	2.68%	-37.51%	-85.82%
Short-term debt % of working capital	-66.52%	-77.78%	-8.46%	-11.30%	-20.64%
% change	14.48%	-819.86%	25.20%	45.23%	80.94%
Total liabilities \$	\$655,302	\$563,018	\$546,922	\$564,139	\$568,896
% change	16.39%	2.94%	-3.05%	-0.84%	0.35%
Total liabilities to equity ratio	1.00	0.84	0.74	0.76	0.75
% change	19.80%	13.23%	-2.11%	1.03%	2.03%
Total liabilities to tangible net worth ratio	1.00	0.84	0.74	0.76	0.75
% change	19.80%	13.23%	-2.11%	1.03%	2.03%
Total debt to EBITDA ratio (annualized)	5.97	13.28	14.87	13.85	3.41
% change	-55.03%	-10.67%	7.37%	305.70%	-57.19%
Source:	Interim Report 5/15/2019	Annual Report 5/15/2018	Interim Report 11/1/2018	Interim Report 8/2/2018	Interim Report 5/8/2018

Total debt to EBITDA ratio (annualized) signals that the ability to meet financial obligations is in jeopardy

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital

Meager quick and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Current assets \$	\$42,611	\$50,323	\$55,208	\$63,746	\$71,680
% change	-15.33%	-8.85%	-13.39%	-11.07%	-11.82%
% of short-term debt	66.21%	101.31%	3,006.97%	3,483.39%	2,446.42%
Current liabilities \$	\$139,359	\$114,187	\$76,922	\$79,936	\$85,876
% change	22.04%	48.45%	-3.77%	-6.92%	-14.54%
Working capital \$	(\$96,748)	(\$63,864)	(\$21,714)	(\$16,190)	(\$14,196)
% change	-51.49%	-194.11%	-34.12%	-14.05%	26.05%
% of sales (annualized)	-39.47%	-30.97%	-11.84%	-8.45%	-5.95%
Quick assets \$	\$11,479	\$13,406	\$20,018	\$22,565	\$12,817
% change	-14.37%	-33.03%	-11.29%	76.06%	-28.49%
% of short-term debt	17.84%	26.99%	1,090.31%	1,233.06%	437.44%
Quick ratio	0.08	0.12	0.26	0.28	0.15
% change	-29.81%	-54.88%	-7.83%	89.08%	-16.31%
Current ratio	0.31	0.44	0.72	0.80	0.83
% change	-30.61%	-38.60%	-10.01%	-4.46%	3.18%
Source:	Interim Report 5/15/2019	ARS 3/14/2019	Interim Report 11/1/2018	Interim Report 8/2/2018	Interim Report 5/8/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018
Return on equity	-2.84%	-12.13%	-1.19%	-4.57%	-1.67%
% change	76.59%	-920.80%	73.97%	-174.03%	-0.47%
Return on net tangible equity	-2.84%	-12.13%	-1.19%	-4.57%	-1.67%
% change	76.59%	-920.80%	73.97%	-174.03%	-0.47%
Return on total assets	-1.50%	-7.12%	-0.68%	-2.63%	-0.97%
% change	78.90%	-941.19%	74.03%	-172.52%	1.00%
Return on tangible assets	-1.50%	-7.12%	-0.68%	-2.63%	-0.97%
% change	78.90%	-941.19%	74.03%	-172.52%	1.00%
Source:	Interim Report 5/15/2019	ARS 3/14/2019	Interim Report 11/1/2018	Interim Report 8/2/2018	Interim Report 5/8/2018

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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Contact us at:

845.230.3000

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