



**Annual Meeting
of Shareholders to be held on
May 18, 2017**

**NOTICE OF MEETING
and
INFORMATION CIRCULAR**

April 6, 2017



PRAIRIE PROVIDENT RESOURCES INC.

1100, 640 – 5th Avenue S.W.
Calgary, Alberta

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting (the "**Meeting**") of the shareholders of **PRAIRIE PROVIDENT RESOURCES INC.** (the "**Company**") will be held at the Calgary Petroleum Club at 319 5th Avenue S.W., Calgary, Alberta, on May 18, 2017, at 9:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited consolidated comparative financial statements of the Company for the years ended December 31, 2016 and 2015, together with the report of the auditor thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint Ernst & Young LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and authorizing the directors to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting.

More detailed information regarding the matters proposed to be put before the Meeting are set forth in the accompanying information circular of the Company dated April 6, 2017 (together with this Notice of Meeting, the "**Circular**").

Only shareholders of record at the close of business on April 7, 2017 are entitled to notice of and to attend and vote at the Meeting or any adjournment thereof, except that a shareholder (including a person who did not hold any common shares on April 7, 2017) may vote common shares transferred to it after that date if the shareholder produces properly endorsed share certificates evidencing the transfer or otherwise establishes that it owns the transferred common shares, and demands, not later than 10 days before the Meeting, that the transferee's name be included before the Meeting in the list of shareholders eligible to vote.

A registered shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it, or another acceptable instrument of proxy, in accordance with the instructions set forth in the Circular, In order to be acted upon at the Meeting, a valid and duly executed proxy must be deposited with Alliance Trust Company, by mail, fax or email at #1010, 407-2nd Street S.W., Calgary, Alberta, T2P 2Y3, facsimile 403-237-6181 (Attention: Proxy Department) or inquiries@alliancetrust.ca, 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the date of the Meeting, or any adjournment thereof. A person appointed as proxyholder need not be a shareholder.

This year, as described in the notice and access notification mailed to beneficial shareholders of the Company, the Company has decided to deliver the Circular to beneficial shareholders by posting the Circular on its website (<http://www.ppr.ca/>). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company's printing and mailing costs. The Circular will be available on the Company's website as of April 6, 2017, and will remain on the website for one full year thereafter. The Circular will also be available on SEDAR at www.sedar.com. The Circular will be mailed to registered shareholders.

DATED at Calgary, Alberta, this 6th day of April, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Tim Granger*"

Tim Granger
President and Chief Executive Officer

PRAIRIE PROVIDENT RESOURCES INC.
INFORMATION CIRCULAR

ANNUAL MEETING OF SHAREHOLDERS
MAY 18, 2017

NOTES TO READER

This management information circular dated April 6, 2017 (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Prairie Provident Resources Inc. ("**Prairie Provident**" or the "**Company**") for use at the annual meeting of the holders of common shares ("**Shareholders**") of the Company ("**Common Shares**") to be held on Thursday, May 18, 2017, at 9:00 a.m., Calgary time (the "**Meeting**") or at any adjournment thereof, for the purposes set forth in the Notice of Meeting accompanying this Information Circular.

Prairie Provident was incorporated on July 29, 2016 for the purpose of participating in an arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving, among others, Prairie Provident, Lone Pine Resources Inc. and its subsidiary, Lone Pine Resources Canada Ltd. (subsequently renamed Prairie Provident Resources Canada Ltd.) (together, "**Lone Pine**") and Arsenal Energy Inc. ("**Arsenal**"), pursuant to which: (i) the ownership and capital structure of Lone Pine was reorganized, with Prairie Provident becoming the parent corporation of Lone Pine and the former Lone Pine shareholders becoming shareholders of Prairie Provident; and (ii) Prairie Provident acquired all of the outstanding shares of Arsenal in exchange for common shares of Prairie Provident. The Arrangement became effective on September 12, 2016. Prior to September 12, 2016, the business of Prairie Provident was conducted by Lone Pine. Prairie Provident Resources Canada Ltd. and Arsenal amalgamated on January 1, 2017 to continue as a single corporation, which continues to be named Prairie Provident Resources Canada Ltd.

In this Information Circular, unless otherwise indicated or the context otherwise requires, the term "the Company": (i) when used in reference to periods prior to September 12, 2016, refers to Lone Pine; and (ii) when used in reference to the period following September 12, 2016, refers to Prairie Provident. References to the "**Lone Pine Group**" means, collectively, Lone Pine, Prairie Provident Resources Canada Ltd. and their affiliates at the relevant time.

SOLICITATION OF PROXIES BY MANAGEMENT

Enclosed with this Information Circular is a form of proxy for use at the Meeting. A copy of the annual report, which includes the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2016, has previously been distributed to the Shareholders. The Shareholders are entitled to vote and are encouraged to participate in the Meeting.

This solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the notice of meeting, form of proxy and this Information Circular will be borne by the Company. Management does not contemplate a solicitation of proxies other than by mail.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to

the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder has the right to appoint a nominee, other than the persons designated in the enclosed form of proxy (who does not need to be a Shareholder), to represent them at the Meeting, by inserting the name of their chosen nominee in the space provided for that purpose on the form of proxy or by completing another proper form of proxy. Such a Shareholder should notify the nominee of their appointment, obtain their consent to act as proxy and instruct them on how the Shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or their attorney authorized in writing.

A form of proxy will not be valid for the Meeting or any adjournment to the Meeting unless it is completed and received by Alliance Trust Company, #1010, 407-2nd Street S.W., Calgary, Alberta, T2P 2Y3, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment thereof.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, at any time before it is exercised, by instrument in writing executed by the Shareholder or by their attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the Company duly authorized and deposited at the registered office of the Company at 4500 , 855 2Nd Street S.W., Calgary, Alberta, T2P 4K7, Attention: Corporate Secretary, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment to the Meeting, at which the proxy is to be used, or with the chairman of such Meeting on the date of the Meeting.

NOTICE TO BENEFICIAL HOLDERS OF SHARES

Only registered Shareholders ("**Registered Shareholders**") or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will distribute copies of the notice of meeting, this Information Circular, and the enclosed form of proxy (collectively, the "meeting materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial

Services, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails the form to Non-Registered Shareholders and asks Non-Registered Shareholders to return the form to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.** Prairie Provident is sending proxy-related materials directly to non-objecting beneficial owners, pursuant to NI 54-101.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each Shareholder may instruct their proxy how to vote their shares by completing the blanks on the form of proxy.

Common Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed proxy form will be voted for or withheld from voting in accordance with the instructions made on the proxy forms, on any ballot that may be called for and, if Shareholders specify a choice as to any matters to be acted upon, such Shareholders' shares shall be voted accordingly. In the absence of such instructions or choices, such shares will be voted in favour of all matters identified in the Notice of Meeting accompanying this Information Circular.

The enclosed form of proxy confers discretionary authority upon the persons named with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

NOTICE AND ACCESS

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**National Instrument 54-101**") and National Instrument 51-102 - *Continuous Disclosure Obligations* allow for the use of a "notice and access" regime for the delivery of proxy-related materials.

Under the notice-and-access regime, reporting issuers are permitted to deliver proxy-related materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each

Shareholder receiving the materials under this regime. The notice package must include: (i) the voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the materials; and (iv) a plain-language explanation of how the new notice-and-access system operates and how the materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to Shareholders electronically. This notice package must be mailed to Non-Registered Shareholders from whom consent to electronic delivery has not been received.

Prairie Provident has elected to send its Information Circular to Non-Registered Shareholders using the notice-and-access regime. Accordingly, Prairie Provident will send the above-mentioned notice package to Non-Registered Shareholders which includes instructions on how to access Prairie Provident's Information Circular online and how to request a paper copy of the Information Circular. Distribution of Prairie Provident's Information Circular pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs and reduce our impact on the environment.

Notwithstanding the notice-and-access regime, the ABCA requires Prairie Provident to: (i) deliver a paper copy of its annual financial statements to a Registered Shareholder unless such Registered Shareholder informs Prairie Provident in writing that it does not want a copy of the annual financial statements or provides written consent to electronic delivery; and (ii) deliver a paper copy of the Information Circular to a Registered Shareholder unless such Shareholder provides written consent to electronic delivery. In order to ensure compliance with the ABCA, Registered Shareholders who have not yet consented to electronic delivery will be mailed a copy of the Information Circular.

Prairie Provident will not send its proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101 and will not pay for proximate intermediaries to forward the proxy-related materials and the voting instruction form to objecting beneficial owners under National Instrument 54-101 and accordingly, objecting beneficial owners will not receive such materials unless their intermediary assumes the cost of delivery

VOTING SHARES AND PRINCIPAL HOLDERS OF SHARES

The Company is authorized to issue an unlimited number of Common Shares. As of March 31, 2017, 115,402,880 Common Shares were issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Common Shares are entitled to one vote for each Common Share held.

The Company's Board of Directors has fixed April 7, 2017 as the record date (the "**Record Date**") for determining which Shareholders are entitled to receive notice of the Meeting. A Shareholder of record at the close of business on the Record Date shall be entitled to vote the Common Shares registered in such Shareholder's name on that date, except to the extent that: (a) such person transfers their Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes their ownership to the Common Shares, and makes a demand to the registrar and transfer agent of the Company, not later than 10 days before the Meeting, that their name be included on the Shareholders' list.

To the knowledge of the directors and officers of the Company, as at April 7, 2017, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the votes which may be cast at the Meeting except as set out in the table below:

<u>Name of Holder</u>	<u>Number of Common Shares Held</u>	<u>Percentage of Outstanding Common Shares (undiluted)</u>
Goldman Sachs Asset Management, L.P. ⁽¹⁾⁽²⁾⁽³⁾	49,433,242 Common Shares	42.8%
Goldman Sachs & Co. ⁽²⁾⁽³⁾	14,791,375 Common Shares	12.8%

Notes:

- (1) The Company understands that Goldman Sachs Asset Management, L.P. ("**GSAM**") acts as the investment manager for clients of GSAM that are the beneficial owners of these shares, being Goldman Sachs BDC, Inc., Lone Pine Luxembourg A Sarl and Goldman Sachs Long Short Credit Strategies Fund, and as such exercises control or direction over the shares.
- (2) The Company understands that GSAM and Goldman Sachs & Co. ("**GS&Co**") are both wholly-owned subsidiaries of Goldman Sachs Group, Inc.

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 10% of the outstanding Common Shares. Generally, if a quorum is not present at a meeting within one half hour after the time fixed for the holding of the meeting, it shall stand adjourned to the same day of the following week. At such adjourned meeting, provided there are at least two Shareholders present, such Shareholders shall form a quorum.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

1. Consolidated Financial Statements

The audited consolidated financial statements of the Company for the years ended December 31, 2016 and 2015 together with the auditor's report thereon, will be placed before the Shareholders at the Meeting. These financial statements and the auditor's report are contained in the Company's annual report which has been filed on SEDAR at www.sedar.com and been distributed to registered Shareholders.

2. Election of Directors

The Board of Directors currently comprised of the following individuals:

Patrick McDonald (Chair)	Derek Petrie
David Fitzpatrick	Ajay Sabherwal
Tad Flynn	Rob Wonnacott
Tim Granger	

At the Meeting, management proposes to nominate each of the current directors for re-election as directors of the Company, and submit to the Shareholders an ordinary resolution to elect each nominee as a director for the ensuing year, to hold office until the close of the next annual meeting of Shareholders.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy forms intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the election of each nominee as a director of the Company.

The following table sets forth, for each proposed director nominee, his name and jurisdiction of residence, the date since which he has served as a director of the Company, and his principal occupation, business or employment currently and during the past five years.

Name, Jurisdiction of Residence and Position with Prairie Provident	Principal Occupations for Past Five Years	Director and/or executive officer since	Common Shares held at March 31, 2017 ⁽⁶⁾
Patrick McDonald ⁽⁵⁾ Colorado, USA <i>Chairman of the Board</i>	Chief Executive Officer of Carbon Natural Gas Company (oil and gas exploration and production) since 2011 and of its predecessor, Nytis Exploration, since 2004; prior to its business combination with Sabine Oil & Gas LLC in December 2014, Chief Executive Officer of Forest Oil Company (oil and gas exploration and production) since September 2012 and its Interim Chief Executive Officer since June 2012	March 2011	44,656
Tim Granger ⁽⁵⁾ Alberta, Canada <i>President, Chief Executive Officer and a Director</i>	President and Chief Executive Officer of the Company since April 2013; prior thereto, Chief Executive Officer and Managing Director of Molopo Energy Limited (oil and gas exploration and production) from January 2012 to January 2013; prior thereto, President and Chief Executive Officer of Compton Petroleum Company (oil and gas exploration and production) from January 2009 to December 2011	April 2013	691,001 ⁽⁷⁾
David Fitzpatrick ⁽²⁾⁽³⁾⁽⁵⁾ Alberta, Canada <i>Director</i>	President and Chief Executive Officer of Veresen Midstream (natural gas and NGL processing) since July 2015; Chairman of Eagle Energy Inc. (oil and gas exploration and production) since March 2008; Director of Twin Butte Energy Ltd. (oil and gas exploration and production) from July 2008 to September 2016; Interim Chief Executive Officer of Lone Pine from February 2013 to April 2013	June 2011	81,261
Terence (Tad) Flynn ⁽¹⁾⁽³⁾⁽⁴⁾ New York, USA <i>Director</i>	Managing Director, Financial Advisory Services, and head of Asset Management Services of Houlihan Lokey (investment bank) since April 2009; prior thereto, held various positions at Bankers Trust, Salomon Brothers, Bear Sterns Companies, Inc. and UBS (each investment banks) beginning in 1983.	January 2014	31,271
Derek Petrie ⁽²⁾⁽³⁾⁽⁴⁾ Alberta, Canada <i>Director</i>	President of R2 Design & Manufacturing (oilfield services and equipment) since February 2016; prior thereto, retired businessman from April 2014 to February 2016; prior thereto, director of T&T Inspections & Engineering Ltd. (division of Hyduke Energy Services) (oilfield services) since February 2014; prior thereto, General Manager for Do All Industries (fabricating and engineering services to the drilling industry) from September 2012 to February 2014; prior thereto, General Manager at Mastco Derrick Services Ltd. (drilling rig fabricator) from 2000 to September 2012	September 2016	483,138

Name, Jurisdiction of Residence and Position with Prairie Provident	Principal Occupations for Past Five Years	Director and/or executive officer since	Common Shares held at March 31, 2017 ⁽⁶⁾
Ajay Sabherwal ⁽¹⁾⁽²⁾⁽⁴⁾ Washington, DC, USA <i>Director</i>	Chief Financial Officer of FTI Consulting, Inc. (business advisory services) since August 2016; prior thereto, Executive Vice President and Chief Financial Officer of FairPoint Communications, Inc. (telecommunications) from July 2010 to August 2016	January 2014	31,271
Rob Wonnacott ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada <i>Director</i>	Partner and Director of Value Point Capital (private equity investment) since 2010; Principal of NVB Financial Corp. (financial advisory) since 2015; Chief Executive Officer of Pendo Petroleum Inc. (oil and gas exploration and production) from June 2012 to July 2013; prior thereto, Chief Financial Officer of Grizzly Oil Sands ULC (bitumen development company) from January to June 2011	September 2011	31,271

Notes:

- (1) Member of the Audit Committee of the Board of Directors, consisting of Messrs. Sabherwal (Chair), Flynn and Wonnacott. See "*Audit Committee Information*" below.
- (2) Member of the Reserves Committee of the Board of Directors, consisting of Messrs. Wonnacott (Chair), Fitzpatrick, Petrie and Sabherwal.
- (3) Member of the Compensation Committee of the Board of Directors, consisting of Messrs. Fitzpatrick (Chair), Flynn, Petrie and Wonnacott.
- (4) Member of the Nominating and Corporate Governance Committee of the Board of Directors, consisting of Messrs. Flynn (Chair), Petrie and Sabherwal.
- (5) Member of the Executive Committee of the Board of Directors, consisting of Messrs. McDonald (Chair), Granger and Fitzpatrick.
- (6) Includes Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each director.
- (7) Mr. Granger also holds 332,682 stock options, 166,341 performance share units and 186,568 warrants to purchase Common Shares.

Corporate Cease Trade Order or Bankruptcies

Except as set out herein, none of those persons who are proposed directors of the Company is, or has been within the past ten years:

- (a) a director or chief executive officer or chief financial officer of any company, including the Company, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or was subject to an event that resulted, after the proposed director ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) a director or executive officer of any company, including the Company, that while acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or

had a receiver, receiver manager or trustee appointed to hold its assets, or became personally bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Messrs. McDonald, Fitzpatrick and Wonnacott were directors of, and Mr. Granger was an executive officer and director of, one or more members of the Lone Pine Group at the time that the Lone Pine Group commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") and ancillary proceedings under Chapter 15 of the United States Bankruptcy Code in September 2013, and continued in such capacities through implementation on January 31, 2014 of a comprehensive capital reorganization and financial restructuring of the Lone Pine Group pursuant to a CCAA plan of compromise and arrangement. Mr. McDonald was President and Chief Executive Officer of Forest Oil Company at the time of its business combination with Sabine Oil & Gas LLC in December 2014, and continued as a director of that corporation (renamed Sabine Oil & Gas Company) until July 2016. In July 2015, Sabine Oil & Gas Company and certain of its subsidiaries commenced proceedings under Chapter 11 of the United States Bankruptcy Code. From August 2010 through August 2016, Mr. Sabherwal was Executive Vice President and Chief Financial Officer of FairPoint Communications, Inc., which commenced proceedings under Chapter 11 of the United States Bankruptcy Code in October 2009 and completed its reorganization thereunder in January 2011. From November 2005 through March 2009, Mr. Sabherwal was Chief Financial Officer of Aventine Renewable Energy Holdings, Inc., which commenced proceedings under Chapter 11 of the United States Bankruptcy Code in April 2009 and completed its reorganization thereunder in March 2010. Mr. Fitzpatrick resigned as a director of Twin Butte Energy Ltd. in September 2016 concurrently with the appointment of a receiver and manager over that company's assets on application by its lenders.

Majority Voting Policy

The Company has adopted a Majority Voting Policy whereby if less than a majority of the total votes cast or withheld from voting with respect to the election of any director nominee are not voted in favour of his or her or election, but he or she is nevertheless duly elected as a matter of corporate law, then that director shall be required to promptly tender his or her resignation to the Board of Directors, subject to and only effective upon acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Nominating and Corporate Governance Committee (or such other board committee as is determined, based on its composition and other relevant factors, to be appropriate in the circumstances) for consideration.

In considering any resignation tendered pursuant to this Policy, the designated committee shall consider all factors deemed relevant by its members including, without limitation, the circumstances of the vote, any stated reasons for Shareholders withholding from voting for the director, the director's qualifications, competencies, skills and contribution to the Board of Directors and the Company, the consequences of the resignation to the Company (including, without limitation, pursuant to any material contract or concerning the Company's compliance with any applicable laws or regulatory requirements affecting Board composition), and whether the resignation would be in the best interests of the Company. The committee will then make a recommendation to the Board of Directors whether to accept the tendered resignation and, if acceptance is recommended, whether to do so on an immediate or delayed basis.

The Board of Directors will determine whether to accept the tendered resignation within 90 days after the date of the Shareholders' meeting. Subject at all times to their fiduciary duty to the Company, the Board of Directors is expected to accept a resignation tendered pursuant to the Majority Voting Policy in the absence of exceptional circumstances. A director who has tendered a resignation pursuant to the Majority Voting

Policy shall not participate in any meeting of the committee or the Board of Directors at which the resignation is considered.

The Company will announce the Board of Director's decision by news release. If the Board of Directors does not accept the resignation, the news release shall address the reasons for that decision.

Advance Notice By-law

The Company has adopted an advance notice by-law (the "**By-law**") which applies to nominations of directors at the Meeting and is intended to provide a clear process for director nominations.

Among other things, the By-law requires that a Shareholder wishing to nominate a candidate for election as a director of the Company at an annual meeting of Shareholders, or a special meeting of Shareholders at which directors will be elected, must provide notice to the Corporate Secretary of the Company not less than 30 days prior to the date of the meeting (40 days where the Company uses notice and access to deliver proxy-related materials to Shareholders in connection with such meeting), provided, however, that in the event the meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The By-law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to the nominating Shareholder and the nominee for the notice to be effective. No person nominated by a Shareholder will be eligible for election as a director of the Company unless nominated in accordance with the By-law. A copy of the By-law is available on the Company's SEDAR profile at www.sedar.com.

Director Share Ownership Guidelines

With a view to aligning the long-term interests of Prairie Provident's directors and executive officers with those of Shareholders, the Company has adopted share ownership guidelines for directors and executive officers (the "**Guidelines**").

Pursuant to the Guidelines, executive officers are required to hold Common Shares: (i) the President and Chief Executive Officer must, within three years, acquire and hold Common Shares having a market value that is at least three times his annual base salary; and (ii) each Vice President of the Company must, within three years, acquire and hold Common Shares having a market value that is at least two times his or her annual base salary. Additionally, the Guidelines require that directors must, within five years, acquire and hold Common Shares having a market value equal or greater than \$125,000.

The following table sets out the applicable equity ownership guideline and equity ownership for each executive officer and director as at the date of this Circular:

Name	Equity Ownership Guideline			Equity Ownership		Meets Equity Ownership Requirements
	Multiple of Base Salary	Amount of Base Compensation (\$)	Total Value of Equity Ownership Required (\$)	Common Shares	Value of Equity Ownership (\$) ⁽¹⁾	
Tim Granger	3x	300,000	900,000	691,001	469,880.68	No
Mimi Lai	2x	245,750	491,500	46,765	31,800.20	No
Robert (Bob) Guy	2x	240,000	480,000	20,000	13,600	No
Tony van Winkoop	2x	235,000	470,000	410,286	278,994.48	No
Gjoa Taylor	2x	203,000	406,000	41,665	28,332.20	No
Patrick McDonald	N/A	60,000	125,000	44,656	30,366.08	No
David Fitzpatrick	N/A	60,000	125,000	81,261	55,257.48	No
Terence (Tad) Flynn	N/A	60,000	125,000	31,271	21,264.28	No
Derek Petrie	N/A	60,000	125,000	483,138	328,533.84	Yes
Ajay Sabherwal	N/A	60,000	125,000	31,271	21,264.28	No
Rob Wonnacott	N/A	60,000	125,000	31,271	21,264.28	No

Note:

- (1) The "Value of Equity Ownership" amount of the Common Shares held is based on the greater of: (i) the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on March 31, 2017 being \$0.68 per Common Share; and (ii) the aggregate cost base of the Common Shares at the date of calculation.

3. Appointment of Auditors

Ernst & Young LLP, Chartered Accountants, has served as the Company's auditor since November 2011. The auditor's report of Ernst & Young LLP on the audited consolidated comparative financial statements for the financial years ended December 31, 2015 and 2016 will be placed before the Shareholders at the Meeting.

At the Meeting, management proposes to submit to the Shareholders an ordinary resolution appointing Ernst & Young LLP as the auditors of the Company, to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be determined by the Board of Directors.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy forms intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the appointment of Ernst & Young LLP as the auditors of the Company.

4. Other Matters to be Acted Upon

Management of the Company is not aware of any matters to come before the Meeting, other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Company is not aware of any material interest of any director, executive officer, nominee for election as a director of the Company or of any associate or affiliate of any of those persons in respect of any matter to be acted on at the Meeting, except as specifically provided herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interests, direct or indirect, of any "informed person" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company, any proposed nominee for election as a director of the Company or any associate or affiliate of any such person or proposed nominee in any transaction since the beginning of the most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or senior officers of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any one of them, is or was indebted to the Company or any of its subsidiaries at any time since the beginning of the most recently completed financial year.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers

For purposes of this Statement of Executive Compensation, the "named executive officers" of the Company for the 2016 financial year were: (i) Tim Granger, President and Chief Executive Officer; (ii) Mimi Lai, Vice President, Finance, and Chief Financial Officer; (iii) Doug Axani, Former Vice President, Exploration; (iv) Robert (Bob) Guy, Vice President, Operations; and (v) Gjoa Taylor, Vice President, Land.

Mr. Axani was Vice President, Exploration until August 2016.

Objectives of the Compensation Program

The Company's compensation program aims to keep compensation practices consistent with strategic business and financial objectives and competitive within the oil and gas industry, with a view to attracting, motivating and retaining executive personnel with value-generating skills and expertise and encouraging behaviour and performance among key employees, including executive officers, considered to be in the Company's best interests and beneficial to its Shareholders. The Company's executive compensation practices are structured to provide each executive officer with a competitive income, to encourage and reward outstanding individual performance that benefits the Company, and to create meaningful incentives to remain in the Company's employ and not be unreasonably susceptible to competitor recruiting efforts. The program design and the weighting of its constituent components reflect the competitive nature of the oil and gas industry and market conditions.

Elements of Compensation

Executive compensation is comprised of three primary components: (i) an annual base salary, which is intended to provide a fixed level of cash compensation that is competitive in the industry and will enable the Company to attract, motivate and retain capable executives; (ii) an annual cash incentive bonus, which is variable, performance-based and intended to maintain individual focus on the achievement of year-over-year corporate objectives that are believed to further the interests of Shareholders; and (iii) periodic grants of long-term equity-based compensation, which seek to correlate executive officer compensation with the creation of shareholder value, align long-term economic interest with that of the Company's Shareholders, and provide a meaningful tool for retention.

The named executive officers are eligible to participate in medical and dental plans, group term life and accidental death and dismemberment insurance plans and short-term and long-term disability plans on the same terms and conditions as the Company's other salaried employees. During 2016, all full-time employees also participated in a Group Savings Plan (GSP), a contributory retirement plan maintained by the Company that seeks to encourage employees to save a portion of current compensation for post-retirement living. Subject to certain limitations imposed by law, the Company contributes 5% of its employees' base pay to the GSP. Employees may then contribute from 1% to 4% of their regular base pay through payroll deductions, which the Company will match to a maximum of 4%. GSP participants may choose to invest their account balances in certain investment options within the GSP. During 2016, the Company contributed a total of \$100,914 to the GSP on behalf of the named executive officers.

The Company does not maintain a pension plan for any of its officers or employees.

Compensation Determinations

In making compensation determinations for the 2016 year, the Compensation Committee of the Company's board of directors, which is responsible for developing the Company's overall compensation philosophy and reviewing and approving the compensation of its executive officers, reviewed available compensation survey information, industry compensation data (including that reported by peer companies) and other information it considered relevant, taking into account how each element of compensation fits into overall compensation objectives and interacts with other elements. All members of the Compensation Committee are independent within the meaning of applicable securities laws.

All executive officers participated in the Company's Annual Incentive Plan 2016 (the "**2016 AIP**"), which was adopted in March 2016 and provided participants with a performance-driven incentive through eligibility to receive a target bonus based upon a percentage of their base salary. The 2016 AIP was

administered by the Compensation Committee, assisted by the Vice President, Finance with respect to the measurement of financial and operating measures, and by the Vice President, Operations with respect to the estimation of oil and gas reserves by the Company's independent qualified reserves evaluator and verification of related measures. Actual performance goals, standards and award determinations were approved by the Compensation Committee.

The Compensation Committee approved the following performance measures (and relative weighting) for purposes of bonus awards under the 2016 AIP:

- *Working Interest Production (20%)* – excludes the impact of royalty and other burdens, thereby eliminating the impact of changes in commodity price, and adjusted for the impact of acquisitions and/or divestitures;
- *Working Interest Cash Capital Expenditures (20%)* – excludes non-cash expenses such as stock-based compensation and also excludes capitalized general and administrative expenses, but includes expenditures on decommissioning activities;
- *Cash General and Administrative and Working Interest Direct Operating Expenses (20%)* – cash general and administrative expenses are measured on a gross basis, without adjustments for capitalized general and administrative expense and overhead recoveries charged to operating expenses; direct operating expenses include lease operating expenses, expensed workovers and transportation expenses for the Company;
- *Discretionary Elements (20%)* – to recognize significant achievements that may not be addressed elsewhere in the 2016 AIP, with the Compensation Committee (based in part on recommendations from the President and Chief Executive Officer) assigning a completion multiple of between 0% and 200% for discretionary achievements.

The Compensation Committee then established threshold (0% payout), target (100% payout) and above target (up to 200% payout) benchmarks.

In January 2017, and in subsequent communications with the President and Chief Executive Officer, the Compensation Committee reviewed performance in relation to the 2016 AIP benchmarks, as well as corporate accomplishments during the year that were not specifically addressed by 2016 AIP benchmarks. The aggregate payout under the 2016 AIP was equal to 110% (1.1) of the total target payout for all employees (including executive officers). Based on overall corporate performance, the performance of each business unit and department, and individual accomplishment, the Compensation Committee approved cash bonus awards under the 2016 AIP in the aggregate amount of \$598,163 for all of the named executive officers, as a group.

The Compensation Committee has assessed risks related to the Company's compensation policies and practices, and concluded that they do not create risks that are reasonably likely to have a material adverse effect on the Company. All aspects of the Company's compensation programs, including base salary, annual incentive compensation, long-term incentive compensation and benefits, and severance entitlements, have been considered in light of long-term shareholder interests.

Financial Instruments

Pursuant to Prairie Provident's Disclosure and Insider Trading Policy, directors and executive officers of the Company are expressly prohibited from, directly or indirectly, purchasing any financial instrument or

otherwise entering into any transaction that is designed to hedge or offset a decrease in the market value of the Common Shares or any other securities granted as compensation or held, directly or indirectly.

Compensation Governance

The Compensation Committee is comprised of four independent directors (being Messrs. Fitzpatrick, Flynn, Petrie and Wonnacott). Mr. Fitzpatrick acts as Chairman of the Compensation Committee. These directors have developed skills and experience in making executive compensation decisions through serving on the boards of directors of public companies, serving on compensation committees of those boards of directors, advising on and drafting long-term incentive plans and working with compensation consultants and advisors in designing and implementing compensation programs for executive officers of public companies.

Compensation Consultants

To assist in the execution of its responsibilities, the Compensation Committee may engage independent compensation advisors.

In 2016, the Company engaged Hugessen Consulting Inc. ("**Hugessen**") to provide the Company with advisory services regarding the Company's executive compensation philosophy and peer group review, to short-term and long-term executive compensation, director compensation, share ownership guidelines and short-term and long-term incentive plan design. All work conducted by Hugessen was under the direction of the Compensation Committee. In 2016, Hugessen's work focused on assisting the Company with designing an executive compensation program considering its transition from a private company to a public company on completion of the Arrangement with reference to best market practices.

The executive compensation-related fees for the two most recent financial years are:

Fiscal year ended	Executive Compensation-Related Fees	All Other Fees⁽¹⁾
December 31, 2016	\$48,200	\$10,560
December 31, 2015	\$3,701	Nil

Note:

(1) "All Other Fees" relates to advisory services regarding the Company's compensation of the directors.

Peer Group

When determining executive compensation, including the assessment of the competitiveness of the Corporation's executive compensation practices, the Compensation Committee, with the assistance of Hugessen, reviewed information available in the public domain with respect to companies in the Company's peer group. In selecting the benchmarking group for performance comparison purposes, Hugessen considered certain factors, including stock exchange listing, geography, industry and size. For 2016, the entities included in the Company's benchmarking group are: Tamarack Valley Energy Ltd., Delphi Energy Corp., RMP Energy Inc., Granite Oil Corp., Journey Energy Inc., Gear Energy Ltd., Yangarra Resources Ltd., Zargon Oil & Gas Ltd., Strategic Oil & Gas Ltd., Petroshale Inc., Eagle Energy Inc., Manitok Energy Inc. Marquee Energy Ltd. and Toscana Energy Income Corporation (collectively, the "**Peer Comparison Group**").

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the last three financial years to the named executive officers, being each of the chief executive officer and the chief financial officer of the Company as well as the three next most highly compensated members of management at December 31, 2016 whose total compensation was, individually, more than \$150,000 for the financial year then ended.

Name and Office(s)	Year	Salary (\$)	Share-Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽¹⁾ (\$)		
Tim Granger ⁽²⁾ <i>President and Chief Executive Officer</i>	2016	385,000	51,100 ⁽⁸⁾	52,115 ⁽⁹⁾	231,000	–	719,121
	2015	420,000	–	–	294,000	–	714,000
	2014	400,000	866,109 ⁽⁷⁾	–	170,800	–	1,436,909
Mimi Lai ⁽³⁾ <i>Vice President, Finance and Chief Financial Officer</i>	2016	242,208	28,054 ⁽⁸⁾	29,966 ⁽⁹⁾	135,163	–	435,391
	2015	240,750	–	–	120,375	–	361,125
	2014	60,000	35,078 ⁽⁷⁾	–	10,980	–	106,058
Doug Axani ⁽⁴⁾ <i>Former Vice President, Exploration</i>	2016	216,125	–	–	–	627,900	844,025
	2015	273,000	–	–	136,500	–	409,500
	2014	260,000	467,699 ⁽⁷⁾	–	79,300	–	806,999
Robert (Bob) Guy ⁽⁵⁾ <i>Vice President, Operations</i>	2016	240,000	28,054 ⁽⁸⁾	29,966 ⁽⁹⁾	132,000	–	430,020
	2015	120,000	–	–	60,000	–	180,000
	2014	–	–	–	–	–	–
Gjoa Taylor ⁽⁶⁾ <i>Vice President, Land</i>	2016	59,208	–	–	100,000	–	159,208

Notes:

- (1) Amounts related to annual incentive bonuses earned during each year.
- (2) Mr. Granger's salary was \$420,000 to October 15, 2016, which changed to \$300,000 effective October 16, 2016. Mr. Granger also has a retention bonus of \$120,000 to be paid one year after the date of the Arrangement.
- (3) Ms. Lai was appointed Vice President, Finance and Controller on January 1, 2015, but acted in a similar capacity during the four-month period between September 1, 2014 and December 31, 2014. Ms. Lai's compensation information for 2014 has been pro-rated for this four-month period. Ms. Lai was appointed Chief Financial Officer of the Company effective September 12, 2016.
- (4) Mr. Axani was Vice President, Exploration until August 2016, as such, 2016 salary reflects the amount earned during his employment. Included in "All Other Compensation" for 2016 was \$627,900 of termination payment.
- (5) Between July 1, 2015 and December 31, 2015, Mr. Guy provided consulting services to the Company in a similar capacity as a named executive officer.
- (6) Ms. Taylor was appointed Vice President, Land of the Company effective September 12, 2016 following completion of the Arrangement.
- (7) In 2014, restricted share units ("RSUs") were granted to directors, officers and employees. As the Company was a private company at the time, the market value of its share-based awards is not readily available. The RSU value reported here is the estimated fair value of the underlying Lone Pine shares on grant date determined in accordance with IFRS 2 Share-based Payment ("IFRS 2"), which in the case of RSUs granted to officers and employees (three year vesting) was \$2.07/unit.
- (8) Amounts reflect the grant date fair value of the performance share unit granted to certain NEOs, computed in accordance with IFRS 2. Prairie Provident calculates the grant date fair value as the 1-day VWAP, or \$0.92/unit, on the date of grant. Prairie Provident uses IFRS 2 as its methodology for computing the grant date fair value for purposes of consistency with its financial statements. Also in accordance with IFRS 2, the fair value of the PSUs is amortized in the financial statements over the applicable service period.
- (9) Amounts reflect the grant date fair value of the Stock Options granted to certain NEOs, computed in accordance with IFRS 2. Prairie Provident calculates the grant date fair value, being \$0.47/option, using the Black-Scholes pricing model for the date of grant. Prairie Provident uses IFRS 2 as its methodology for computing the grant date fair value for purposes of consistency with its financial statements. Also in accordance with IFRS 2, the fair value of the Options is amortized in the financial statements over the applicable service period.

New employment arrangements were entered into with the Company's current executive officers in connection with completion of the Arrangement, which arrangements provide for the following annual salaries: Tim Granger (President and Chief Executive Officer) - \$300,000; Mimi Lai (Vice President, Finance and Chief Financial Officer) – \$245,750; Robert (Bob) Guy (Vice President, Operations) – \$240,000; Tony van Winkoop (Vice President, Exploration) – \$235,000; and Gjoa Taylor (Vice President, Land) – \$203,000.

Incentive Plan Awards

As at December 31, 2016, the Company had outstanding 752,174 options to purchase common shares ("**Options**") pursuant to the Company's stock option plan (the "**Option Plan**"). A further 1,869,795 Options were issued on January 27, 2017.

As at December 31, 2016, the Company had outstanding 142,812 restricted share units ("**RSUs**") entitling the holder to receive, on settlement in accordance with their terms, underlying Lone Pine shares. All such RSUs were granted in 2014 and were subject to vesting in equal one-third instalments on January 31 of each of the first, second and third following years (or the first and second years, in the case of RSUs granted to directors). Pursuant to their grant terms, settlement of RSUs that had vested would be deferred until the occurrence of a "liquidity event", being a qualifying change of control, sale or liquidation event that directly or indirectly ascribed a value to the Lone Pine shares and provided liquidity to the holders thereof.

All such RSUs that remained outstanding at September 12, 2016 were exchanged for replacement RSUs of Prairie Provident pursuant to the Arrangement, without any change in vesting terms. The replacement RSUs entitled the holder to receive, on settlement thereof, common shares of Prairie Provident, based on the same ratios at which Prairie Provident common shares were issued in substitution for Lone Pine shares under the Arrangement. Replacement RSUs issued in exchange for Lone Pine RSUs that had already vested were settled through the issuance, in accordance with the Arrangement, of Prairie Provident common shares on October 3, 2016. Replacement RSUs issued in exchange for unvested Lone Pine RSUs vested on January 31, 2017 (in accordance with the original vesting terms) and were settled as of that date through the issuance of Prairie Provident common shares.

As at December 31, 2016, 116,427 performance share units ("**PSUs**") were outstanding pursuant to the Company's incentive security plan (the "**Incentive Plan**"). A further 354,905 PSUs were issued on January 27, 2017.

The Compensation Committee, with the assistance of Hugessen, in determining the payout multiple that will apply to PSUs on settlement, established a framework which conditions the vesting of PSUs based on total shareholder return ("**TSR**") performance relative to that of its Peer Comparison Group. The Compensation Committee compared the Company's TSR to each of the members of the Peer Comparison Group based on a percentile rank approach.

Depending on the Company's TSR relative to the TSR of the companies in the Peer Comparison Group at the time of grant, PSUs will pay out anywhere from 0% to 200%. Based on this analysis, the Compensation Committee approved PSUs in 2016 based on TSR measured and weighted as follows: (i) fourth quarter of 2016, 7.5% weighting; (ii) fiscal year 2017, 22.5% weighting; (iii) fiscal year 2018, 22.5% weighting; and (iv) full term (from fourth quarter of 2016 to end of 2018), 47.5% weighting.

Outstanding Equity Incentive Plan Awards at Year-End

The following table provides information regarding equity incentive plan awards outstanding for each named executive officer as of December 31, 2016 (being Lone Pine RSUs that were exchanged for replacement RSUs of Prairie Provident under the Arrangement, Options and PSUs).

Named Executive Officer	Share-based Awards			Option-based awards			
	Number of shares or units of shares that have not vested (#) ⁽¹⁾	Market or payout value ⁽¹⁾ of share awards that have not vested (\$) ⁽²⁾	Market or payout value ⁽¹⁾ of vested share-based awards not paid out or distributed (\$)	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)
Tim Granger <i>President and Chief Executive Officer</i>	157,038	114,638	–	110,882	0.96	September 25, 2021	–
Mimi Lai <i>Vice President, Finance and Chief Financial Officer</i>	36,042	26,748	–	63,757	0.96	September 25, 2021	–
Doug Axani <i>Former Vice President, Exploration</i>	–	–	–	–	–	–	–
Robert (Bob) Guy <i>Vice President, Operations</i>	28,054	20,479	–	63,757	0.96	September 25, 2021	–
Gjoa Taylor <i>Vice President, Land</i>	–	–	–	–	–	–	–

Note:

(1) Includes RSUs and PSUs.

(2) Calculated as the closing price of December 31, 2016 of \$0.73.

Value Vested or Earned During the Year

The following table sets forth, for each named executive officer, the value of all incentive plan awards that vested or were earned during the year ended December 31, 2016.

Named Executive Officer	Share-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation – Value earned during the year (\$)
Tim Granger <i>President and Chief Executive Officer</i>	183,775	231,000
Mimi Lai <i>Vice President, Finance and Chief Financial Officer</i>	14,886	135,163
Doug Axani <i>Former Vice President, Exploration</i>	148,858	–
Robert (Bob) Guy <i>Vice President, Operations</i>	–	132,000
Gjoa Taylor <i>Vice President, Land</i>	–	100,000

Note:

(1) Calculated using the 5-day VWAP upon vesting, which was \$0.87/share.

Termination and Change of Control Benefits

New employment agreements entered into with the Company's current executive officers in connection with completion of the Arrangement provide for termination payments in the event of wrongful termination (including constructive dismissal following a change of control) in an amount equal to (i) for Tim Granger (President and Chief Executive Officer), 24 months (200%) of annual base salary, plus an additional 15% of that amount in lieu of benefits, and (ii) for each of Mimi Lai (Vice President, Finance and Chief Financial Officer), Robert Guy (Vice President, Operations), Tony van Winkoop (Vice President, Exploration) and Gjoa Taylor (Vice President, Land), 18 months (150%) of annual base salary, plus one additional month for every year of service after completion of the Arrangement, to a maximum of 24 months (200%), plus an additional 15% of that amount in lieu of benefits.

Estimated incremental payments, payables and benefits to the named executive officers in the event of a covered change in control event (i.e., involving an involuntary termination within two years thereafter), or other termination without cause, if termination occurred on December 31, 2016, were: (i) \$690,000 in the case of Mr. Granger; (ii) \$423,919 in the case of Ms. Lai; (iii) \$414,000 in the case of Robert Guy; (iv) \$405,375 in the case of Tony van Winkoop; and (v) \$350,175 in the case of Gjoa Taylor.

Director Compensation

Compensation to non-employee directors in 2016 consisted of (i) an annual fee of \$60,000 payable to each director, (ii) a fee of \$5,000 per year for every committee on which the director serves as a non-chair member, (iii) a fee of \$15,000 to the Chairman of the Audit and Reserves Committee, and (iv) a fee of \$10,000 to the Chairman of the Board of Directors or of any committee other than the Audit and Reserves Committee. No other compensation was provided to directors in 2016.

Non-employees directors are also reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors or committees thereof.

To the extent permitted by law, all directors are entitled to indemnification by the Company in respect of actions or proceedings to which they made a party by reason of being or having been a director.

The following table sets forth information concerning the total compensation provided to the directors of the Company during the year ended December 31, 2016 (other than Tim Granger, President and Chief Executive Officer, whose aggregate compensation as a named executive officer is set forth in the Summary Compensation Table above and who does not receive any additional compensation for service as a director).

Name of Director	Fees Earned (\$)	Option-based Awards ⁽¹⁾ (\$)	Total (\$)
Patrick McDonald	70,000	9,845	79,845
Ajay Sabherwal	85,000	7,383	92,383
Terence (Tad) Flynn	76,250	7,383	83,633
David Fitzpatrick	76,250	7,383	83,633
Will Matthews	63,750	—	63,750
Rob Wonnacott	72,500	7,383	79,883
Derek Petrie	25,000	—	25,000

Note:

- (1) Amounts reflect the grant date fair value of the Options granted to the directors, computed in accordance with IFRS 2. Prairie Provident calculates the grant date fair value, being \$0.47 per Option, using the Black-Scholes pricing model for the date of grant. Prairie Provident uses IFRS 2 as its methodology for computing the grant date fair value for purposes of consistency with its financial statements. Also, in accordance with IFRS 2, the fair value of the Options is amortized in the financial statements over the applicable service period.

No share-based awards, option-based awards or other incentive plan awards were made to non-employee directors in 2016.

The following table provides information regarding equity incentive plan awards outstanding for each non-employee director of the Company as of December 31, 2016 (being Options).

Director	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)
Patrick McDonald	20,946	0.96	September 25, 2021	—
Ajay Sabherwal	15,708	0.96	September 25, 2021	—
Terence (Tad) Flynn	15,708	0.96	September 25, 2021	—
David Fitzpatrick	15,708	0.96	September 25, 2021	—
Will Matthews	—	0.96	September 25, 2021	—
Rob Wonnacott	15,708	0.96	September 25, 2021	—
Derek Petrie	—	—	—	—

With respect to each non-employee director of the Company, no incentive plan awards vested during the year ended December 31, 2016. Additionally, no non-equity incentive plan compensation was earned by non-employee directors during the year.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2016, equity securities are authorized for issuance as follows:

<u>Equity Compensation Arrangement</u>	<u>Number of securities to be issued upon exercise of outstanding options or units</u>	<u>Weighted average exercise price of outstanding options</u>	<u>Number of Common Shares remaining available for future issuance under the arrangement</u>
Option Plan	752,174 ⁽¹⁾	\$0.96	6,879,995
Incentive Plan	Up to 232,854 ⁽²⁾	n/a	
Replacement RSUs	142,812 ⁽³⁾	n/a	Nil

Notes:

- (1) There were 752,174 Options outstanding under Prairie Provident's stock option plan at December 31, 2016. Each Option entitles the holder thereof to purchase from Prairie Provident one Common Share on payment of the exercise price and otherwise on the terms and conditions attached thereto.
- (2) There were 116,427 PSUs outstanding under Prairie Provident's incentive security plan at December 31, 2016. Each PSU entitles the holder thereof to receive, on settlement in accordance with its terms, up to two Common Shares (or cash payment in lieu thereof). The number of Common Shares issuable ranges from 0 to 2.0 depending on satisfaction of the performance conditions attached thereto.
- (3) There were 142,812 replacement RSUs outstanding at December 31, 2016. Each such RSU entitles the holder thereof to receive, on settlement in accordance with its terms, one Common Share issued by Prairie Provident. All of the replacement RSUs vested and settled on January 31, 2017.

Stock Option Plan

The Company has adopted the Option Plan pursuant to which Options may be granted to directors, officers, employees and consultants of the Company and its subsidiaries (collectively, "**Service Providers**"). The Option Plan is administrated by the Compensation Committee (the "**Administrator**"). The purpose of the Option Plan is to provide an effective long-term incentive for the Service Providers.

The aggregate number of Common Shares that may be available for issuance under the Option Plan and the Incentive Plan (collectively, the "**Plans**") shall not exceed 8% percent of the total number of Common Shares outstanding (on a non-diluted basis) at the time of grant. The aggregate number of Common Shares that may be issuable to insiders of the Company under the Plans shall not exceed 10% of the issued and outstanding Common Shares at the time of grant and, during any one-year period, the aggregate number of Common Shares issued to insiders of the Company under the Plans shall not exceed 10% of the issued and outstanding Common Shares at the time of grant.

The exercise price per Option may not be lower than the market price of a Common Share on the grant date. The market price of a Common Share, on a particular date, means the volume-weighted average trading price for the Common Shares on the TSX (or other stock exchange on which the Common Shares are listed) for the five trading days on which the Common Shares traded immediately preceding such date.

A vesting schedule for Options will be determined by the Administrator of the Option Plan as of the grant date and will be set forth in the applicable grant agreement. Options granted under the Option Plan may be exercised during a period set forth in the applicable grant agreement, such period not exceeding five years from the date of grant. Upon expiry, any Options which have not been exercised become null and void.

Options are exercisable only during the term or period of employment or service of a Service Provider. In the event of termination of employment with cause, no unvested Option may be exercised following the date on which the optionee ceases to be a Service Provider, and vested Options may only be exercised up to the earlier of 90 days following the date the optionee ceased to be a Service Provider, or on expiry.

Where an optionee ceases to be a Service Provider by reason of permanent disability, for each set of Options granted to the Service Provider on the same grant date and that vest on the same date (each such set of Options, collectively, an "**Option Tranche**"), a pro-rated proportion of all Options comprising such Option Tranche which are not vested Options shall become vested Options, such proportion determined by multiplying the number of Options comprising an Option Tranche by a fraction, the numerator of which is the number of days between the grant date and the date on which the optionee ceased to be a Service Provider and the denominator of which is the number of days between the grant date and the date on which the Options would have otherwise vested. All outstanding vested Options, including those Options which become vested Options in this instance, remain outstanding and exercisable in accordance with their terms.

All benefits, rights and Options accruing to any Service Provider under the Option Plan shall not be assignable or transferable, other than in the event of death, in which case the Service Provider's Options automatically become fully vested and may be exercised up to the earlier of 90 days following the date the Service Provider's death, or on expiry, by the Service Provider's to whom his or her rights passed by operation of law.

Where an optionee is terminated for cause, such optionee will forfeit any and all rights to hold or exercise all unvested Options and all unvested Options will become null and void. Each such optionee shall have the right to exercise part or all of his or her outstanding vested Options at any time up to and including (but not after) the earlier of the date which is 90 days following the Service Provider's termination date and the expiry date of the Options.

If an optionee ceases to be a Service Provider for any reason other than as set out above, subject to any express resolution passed by the Board of Directors in its discretion to permit continued vesting, any Options granted to such Service Provider which have not vested prior to the Service Provider's termination date shall terminate and become null and void as of such date.

The Administrator reserves the right to amend, modify or terminate the Stock Option Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors. Any amendment to any provision of the Stock Option Plan shall be subject to approval, if applicable and if required, by the TSX or any regulatory body having jurisdiction over the securities of the Company, and by the Shareholders where the proposed amendment: (i) increases the maximum number of Common Shares issuable pursuant to the Option Plan; (ii) reduces the exercise price of any Option or cancels any Options and subsequently issues the holder of such Option and new Option in replacement thereof; (iii) extends the term of any Option; (iv) modifies or amends the provisions of the Option Plan in any manner which would permit Options, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes; (v) adds to the categories of eligible Service Providers under the Option Plan; (vi) removes or amends the insider participation restrictions; (vii) amends the amendment provisions of the Option Plan; or (viii) in any instance where Shareholder approval is required by the TSX.

Incentive Plan

The Company has adopted the Incentive Plan pursuant to which the Company may grant phantom share awards in the form of RSUs and PSUs (collectively, "**Awards**") to directors, officers and employees of the Company and its subsidiaries (collectively, "**Participants**"). The Incentive Plan is administered by the Administrator. The purpose of the Incentive Plan is to provide Participants with the opportunity to acquire

a proprietary interest in the growth and development of the Company that will be aligned with the interests of the holders of Common Shares, to associate a portion of a Participant's compensation with the returns of Shareholders over the medium term, and to enhance the Company's ability to attract, retain and motivate key personnel and reward Participants for significant performance.

The aggregate number of Common Shares that may be available for issuance pursuant to Awards credited under the Incentive Plan shall not exceed 3% of the number of Common Shares then issued and outstanding.

RSUs and PSUs are granted in respect of the services rendered by a particular Participant in a particular calendar year (the "**Service Year**") and must be settled on or prior to December 15th of the third calendar year commencing following the Service Year in order to meet certain rules in the *Income Tax Act* (Canada) (the "**Tax Act**").

Except as set out in the Incentive Plan, the number of Awards subject to each grant, the expiry date of each Award, the vesting dates with respect to each grant of Awards, and other terms and conditions of Awards will be determined by the Administrator and specified in the applicable grant agreement. Awards granted under the Incentive Plan will, unless otherwise determined by the Administrator, and as specifically set forth in the grant agreement: (i) as to RSUs, become vested as to 1/3 on each of the first and second anniversaries of the grant date and the remaining 1/3 will become vested on the earlier of (a) the third anniversary of the grant date and (b) December 15 of the third calendar year following the applicable Service Year; and (ii) as to PSUs, become vested in their entirety on the earlier of (a) the third anniversary of the grant date, and (b) December 15 of the third calendar year following the applicable Service Year, but subject in all aspects to the performance criteria of such Awards. RSUs and PSUs are settled by means of a cash payment or by the issuance or acquisition of Common Shares, on or after the date an Award becomes vested.

Where a holder of Awards ceases to be a Participant by reason of permanent disability: (i) for each set of RSUs granted to the Participant on the same grant date and that vest on the same date (each set of RSUs, collectively, a "**RSU Tranche**"), a pro-rated proportion of the Awards comprising each such RSU Tranche which are not vested will automatically become vested, such proportion determined by multiplying the number of Awards comprising a RSU Tranche by a fraction, the numerator of which is the number of days between the grant date and the date on which the Participant ceased to be a Participant and the denominator of which is the number of days between the grant date and the date on which the Awards would have otherwise vested; and (ii) all PSUs credited in such Participant's account shall remain outstanding until such time as the Company can assess whether or not, and to what degree, the related performance criteria have been satisfied, at which time, the maximum number of PSUs which would have become vested had the Participant not ceased to be a Participant (the "**Maximum Vested PSUs**") will be determined, and a pro-rated proportion of such Maximum Vested PSUs will become vested, such proportion determined by multiplying such Maximum Vested PSUs by a fraction, the numerator of which is the number of days between the grant date and the date on which the Participant ceased to be a Participant and the denominator of which is the number of days between the grant date and the date on which the Awards would have otherwise vested.

Where a Participant is terminated for cause, the Participant will forfeit any and all rights to hold or be paid out in respect of all Awards which are not vested and, for greater certainty, all such Awards that are not vested held by such Participant shall be terminated and rendered null and void.

All benefits, rights and options accruing to any Participant shall not be assignable or transferable, other than in the event of death, in which case the Participant's unvested RSUs shall become automatically vested and all unvested PSUs shall become vested based on assumed performance at the "target" level in respect of the performance criteria set out with respect to such Awards.

If a Participant ceases to be a Participant for any reason other than as set out above, any unvested Awards held by such Participant will terminate and become null and void. All Awards which are vested Awards at the date that the Participant ceases to be a Participant will be paid out in accordance with the Incentive Plan.

The Administrator reserves the right to amend, modify or terminate the Incentive Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors, provided that no amendment shall be made which would cause the Incentive Plan or any Award granted thereunder to cease to comply with the definition of "salary deferral arrangement" in the Tax Act. Any amendment to any provision of the Incentive Plan shall be subject to approval, if applicable and if required, by the TSX or any regulatory body having jurisdiction over the securities of the Company, and by the Shareholders of the Company where the proposed amendment: (i) increases the maximum number of Common Shares issuable pursuant to the Incentive Plan; (ii) amends the determination of fair market value of a Common Share under the Incentive Plan in respect of any Award; (iii) extends the expiry date of any Award; (iv) modifies or amends the provisions of the Incentive Plan in any manner which would permit Awards, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes; (v) adds to the categories of eligible Participants under the Incentive Plan; (vi) removes or amends the insider participation restrictions; (vii) amends the amendment provisions of the Incentive Plan; or (viii) in any instance where Shareholder approval is required by the TSX.

In order to facilitate the grant of RSUs which can be settled only upon termination of the service of a Participant with the Company (and therefore likely beyond the three-year period referred to above in respect of RSUs and PSUs), on March 30, 2017, the Board approved the amendment of the Incentive Plan (with the approval of the TSX) to permit the grant of "**Deferred RSUs**". The material amendments are as follows:

- As amended, the Incentive Plan permits awards of Deferred RSUs, which are restricted share units having terms and conditions that satisfy the requirements of regulation 6801(d) to the Tax Act;
- The definition of "Termination Date" was amended to mean the latest of the date that the applicable Participant ceases to be employed by the Company or any subsidiary or affiliate, so as to meeting the requirements of a cessation of the office or employment within the meaning of regulation 6801(d) of the Tax Act;
- As it is anticipated that Deferred RSUs will be granted in lieu of ordinary salary otherwise payable to a Participant, the Incentive Plan was amended to provide for immediate vesting of Deferred RSUs on the grant date, unless otherwise determined by the Administrator;
- The definition of "Award Payment Date" was amended to require payment of Deferred RSUs in the period extending from the Participant's Termination Date and December 15th of the following calendar year, as is required by regulation 6801(d) of the Tax Act;
- The definition of "Expiry Date" was amended to provide that Deferred RSUs will terminate and cancel on December 15th of the calendar year following the applicable Participant's Termination Date, as is required by regulation 6801(d) of the Tax Act; and
- Certain ancillary amendments.

The amendments did not increase the maximum number of Common Shares issuable pursuant to the Incentive Plan and did not impact the terms of conditions of any Awards previously granted.

CORPORATE GOVERNANCE

Composition of the Board of Directors

The Board of Directors, which is responsible for supervising the management of the business and affairs of the Company, is comprised of seven directors, of whom six – including our Chairman – are independent. Each of Patrick McDonald (Chairman), David Fitzpatrick, Terence (Tad) Flynn, Ajay Sabherwal, Rob Wonnacott and Derek Petrie is independent of the Company within the meaning of applicable Canadian securities legislation. Tim Granger, our President and Chief Executive Officer, is not considered to be independent on the basis of his service as an executive officer of the Company.

Other Directorships

One of our directors also serves as a director of another issuer that is a reporting issuer (or the equivalent). David Fitzpatrick is Chairman of Eagle Energy Inc., a public oil and gas company listed on the TSX.

Charters and Position Descriptions

The Board of Directors has established a charter for itself and each of its four standing committees (being the Audit Committee, the Reserves Committee, the Compensation Committee and the Nominating and Corporate Governance Committee), and has developed position descriptions for the board and committee chairs and the chief executive officer. Attached as Schedule "A" to this Information Circular is a copy of the Board of Directors charter.

Board Committees

The Board of Directors has four principal committees: (i) the Audit Committee, (ii) the Reserves Committee, (iii) the Compensation Committee; (iv) and the Nominating and Corporate Governance Committee; and (v) the Executive Committee. Each committee is composed entirely of independent directors.

- Audit Committee – The principal purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the integrity of the Company's financial statements and related accounting, financial reporting and audit processes, internal accounting and financial control systems and procedures, disclosure controls and procedures, the qualification and performance of the Company's independent auditors, and the Company's risk management strategies; and compliance by the Company with applicable legal requirements relating thereto. The Audit Committee is comprised of Ajay Sabherwal (Chair), Terence (Tad) Flynn and Rob Wonnacott.
- Reserves Committee – The principal purpose of the Reserves Committee is to assist the Board of Directors in fulfilling its oversight responsibilities regarding assessment of the Company's reserves data and/or resources data and compliance by the Company with applicable legal requirements relating thereto (including with respect to public disclosure of information concerning the Company's reserves data and/or resources data). The Reserves Committee is comprised of Rob Wonnacott (Chair), David Fitzpatrick, Derek Petrie and Ajay Sabherwal.
- Compensation Committee – The principal purpose of the Compensation Committee is to assist the Board of Directors in establishing and administering the Company's executive compensation program and otherwise fulfilling its responsibilities regarding executive appointment, evaluation

and compensation matters. The Compensation Committee is comprised of David Fitzpatrick (Chair), Terence (Tad) Flynn, Derek Petrie and Rob Wonnacott.

- Nominating and Corporate Governance Committee – The principal purpose of the Nominating and Corporate Governance Committee is to assist the Board of Directors in developing the Company's approach to corporate governance and adopting and implementing governance principles and guidelines for the Company, and in considering nomination, composition and compensation matters regarding the Board of Directors and its committees. The Nominating and Corporate Governance Committee is comprised of Terence (Tad) Flynn (Chair), Derek Petrie and Ajay Sabherwal.

The Board of Directors also has an Executive Committee comprised of Messrs. McDonald (chair), Granger and Fitzpatrick, to which the Board of Directors may, in its discretion, delegate targeted responsibilities from time to time.

Director Meetings

The independent directors meet in the absence of non-independent directors and members of management during or at the conclusion of each scheduled meeting of the Board of Directors, and at the conclusion of certain committee meetings. Tim Granger, our President and Chief Executive Officer, does not attend such in camera sessions.

The following table sets forth the attendance record of each director and committee member, as applicable, for meetings of the Board of Directors and its appointed committees held from January 1, 2016 to December 31, 2016.

Director	Board of Directors	Audit Committee ⁽¹⁾	Compensation Committee ⁽¹⁾	Nominating and Corporate Governance Committee ⁽¹⁾	Reserves Committee ⁽¹⁾
	<i>(11 meetings)</i>	<i>(4 meetings)</i>	<i>(4 meetings)</i>	<i>(3 meetings)</i>	<i>(1 meeting)</i>
Patrick McDonald	11	–	–	–	–
David Fitzpatrick	10	–	4	–	1
Terence (Tad) Flynn	11	4	4	3	–
Tim Granger	11	–	–	–	–
Will Matthews ⁽²⁾	7	3	4	2	–
Derek Petrie ⁽³⁾	3	–	1	1	1
Ajay Sabherwal	10	4	3	3	1
Rob Wonnacott	11	4	–	3	1

Notes:

- (1) Effective September 12, 2016, membership in each of the appointment committees was revised following the completion of the Arrangement. The Audit and Reserves Committee was also divided into two separate standalone committees.
- (2) Will Matthews ceased to be a director effective September 12, 2016 in connection with completion of the Arrangement.
- (3) Derek Petrie was appointed a director effective September 12, 2016 in connection with the completion of the Arrangement.

Consultation among the directors and between management and the directors on noteworthy or significant matters also occurs outside of formal meetings, and directors have ready and unfettered access to Company management and advisors. No formal meetings of the Executive Committee were required in 2016.

Director Assessments

The effectiveness and contribution of each director and of the Board of Directors and each of its committees are subject to annual evaluation, with the Board of Directors and each committee conducting an annual self-evaluation to assess, and identify opportunities to improve performance. The Nominating and Corporate Governance Committee leads the Board of Directors in its annual self-evaluation.

Orientation and Continuing Education

Orientation of new directors will be overseen by the Nominating and Corporate Governance Committee, which is responsible for arranging for and overseeing delivery to new directors of appropriate orientation regarding the role of the Board of Directors and its committees and the expected contributions of individual directors, and the nature and operation of the Company's business, including meetings with management or other employees. The Nominating and Corporate Governance Committee is also responsible for overseeing the provision of continuing education opportunities to all directors. New directors will be provided with relevant corporate documents and other reference materials concerning organizational matters and board proceedings and thoroughly briefed by management and the current directors on the Company's business and affairs. The Company does not have a formalized continuing education program at this time, and does not currently consider one to be necessary to ensure that its directors maintain the skill and knowledge necessary to meet their obligations as board members. The identification and continued nomination for election of individual directors is based in part on their principal occupations, existing industry experience and expertise, and applicability to the business and affairs of the Company, which is supplemented by management presentations and detailed periodic reporting to the directors. External roles and responsibilities, together with the ongoing reporting from and consultation with management and among the directors, facilitate the maintenance on the part of each director of the skills and knowledge necessary to discharge his responsibilities as a director of the Company. Orientation and continuing education matters are subject to ongoing review in light of intervening events and evolving circumstances.

Ethical Business Conduct

The Board of Directors and management of the Company encourage and promote a culture of ethical business conduct as part of their responsibility to manage, and supervise the management of, the Company's business and affairs. Internal communication and supervision regard ethical business conduct is facilitated by the fact that the Company is a relatively small organization with fewer than 30 employees apart from contractors providing field services.

The Board of Directors has adopted a written code of business conduct and ethics in support of the Company's commitment to honesty, integrity and accountability and requirement of the highest standards of professional and ethical conduct from our directors, officers, employees and consultants. Copies of the code are available electronically to Company personnel, who will be periodically required to acknowledge the provisions of the code and compliance therewith. Among other things, the code requires that violations be reported so that appropriate corrective action can be taken. Persons who fail to comply with the code will be subject to disciplinary measures, up to and including discharge from the Company.

In considering any transactions or agreements in respect of which a director or executive officer has or may have a material interest, the Board of Directors will require that the interested party declare their interest and, as applicable, abstain from voting on any decision of the directors to approve or disapprove of the

transaction or agreement. The interested director or executive officer will ordinarily be required to recuse themselves from deliberations on the transaction or agreement in question, which the Board of Directors shall consider without the interested director or executive officer being present. In all circumstances, each director is required to act honestly and in good faith with a view to the Company's best interests.

Nomination of Directors

The Nominating and Corporate Governance Committee is also responsible for leading the search for and identifying individuals qualified to serve as directors of the Company, and making recommendations to the Board of Directors with respect to director candidates and nominees for election by Shareholders at each annual meeting of shareholders (or other meeting at which one or more directors will be elected) or for appointment between meetings, as applicable. In connection therewith, the Nominating and Corporate Governance Committee is to: (i) review the respective qualifications, competencies and skills of each such individual, including any competing commitments; (ii) consider the appropriate size of the Board of Directors, including with a view to facilitating effective decision-making; (iii) consider the purpose and composition requirements of each board committee; (iv) consider the competencies and skills that the Board of Directors, as a whole, should possess; (v) consider the competencies and skills of existing or incumbent directors and those that each potential new nominee will contribute to the Board of Directors; (vi) have regard to the director qualification criteria specified in the charters of the Board of Directors and its various committees and otherwise applicable to the Company under corporate or securities laws or stock exchange requirements; and (vii) have regard to the desirability that directors represent a diversity of backgrounds.

The Board of Directors has not adopted director term limits, but as part of the annual performance review of the Board of Directors and its committees and in assessing director nominees, the Nominating and Corporate Governance Committee will consider the term of service of each incumbent director, the average term of service of all incumbent directors, and director turnover over the preceding three years, with a view to balancing the benefits of regular renewal against the benefits of familiarity with the Company's business and affairs, all in the context of the needs and circumstances facing the Company and the Board of Directors at the time.

The Board of Directors has not adopted a written policy relating to the identification and nomination of women directors, or a target regarding women representation on the Board of Directors or in executive officer positions. In identifying and reviewing director or executive officer candidates, the Board of Directors and relevant committees – principally the Nominating and Corporate Governance Committee and the Compensation Committee – recognizes the benefits of board and management diversity and will have due regard for the candidate's gender, but not independently of the Company's overall objective of having a board and management team that, taken together, represents depth and diversity of experience at policy-making levels in business and other areas relevant to the Company's business and affairs.

Audit Committee Member Qualifications

Each Audit Committee member has been determined by the Board of Directors to be independent of the Company and financially literate within the meaning of Canadian securities legislation. Following is a brief description of the education and experience of each such director that is relevant to the performance of his responsibilities as a member of the Audit Committee:

- Ajay Sabherwal (Chair) – Mr. Sabherwal has served various issuers as chief financial officer for over 17 consecutive years, and is currently Chief Financial Officer of FTI Consulting, a leading global advisory firm based in Washington, DC. Mr. Sabherwal holds a bachelor's degree in Mechanical Engineering and a master's degree in Economics from the Birla Institute of Technology and Science (India), a top engineering and business school, and a Master of Business Administration (MBA) degree from the University of Manchester (UK).
- Terence (Tad) Flynn – Mr. Flynn is Managing Director, Financial Advisory Services, and head of Asset Management Services at Houlihan Lokey, a global investment bank based in Los Angeles, California with offices across the United States, Europe and the Asia-Pacific region. Mr. Flynn served on the Audit Committee at Full Circle Capital Company from August 2014 to November 2016. Before joining Houlihan Lokey in 2009, he had been a Managing Director with UBS for several years. Mr. Flynn holds a bachelor's degree in Economics from Harvard College.
- Rob Wonnacott – Mr. Wonnacott has served in various senior and executive level positions for more than two decades, including a Managing Director and Vice Chairman of Corporate and Investment Banking with National Bank Financial, Chief Financial Officer of Grizzly Oil Sands and Chief Executive Officer of Pendo Petroleum, and is currently a Partner and Director with Value Point Capital, a Western Canadian private equity investment group. He is a registered Professional Engineer with the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and holds a bachelor's degree in Civil Engineering from Queen's University. Mr. Wonnacott also holds a Master of Business Administration (MBA) degree from the University of Western Ontario.

ADDITIONAL INFORMATION

Financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016, copies of which are available by making a written request to the Company at Suite 1100, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4. **Additional information relating to the Company is available on SEDAR at www.sedar.com.**

SCHEDULE "A"



PRAIRIE PROVIDENT RESOURCES INC.

BOARD OF DIRECTORS CHARTER

This Charter of the Board of Directors (the "Board") of Prairie Provident Resources Inc. (the "Corporation") is adopted as of September 13, 2016 to promote the effective functioning of the Board and its committees (each, a "Committee").

This Charter, together with the charters of the various Committees constituted from time to time, provides a framework for the governance of the Corporation, with sound corporate governance policies and practices providing an essential foundation for the Board in fulfilling its oversight responsibilities in respect of the Corporation.

Role of the Board and Management

The Corporation's day-to-day business is conducted by its officers, employees and agents, under the direction of the Chief Executive Officer of the Corporation (the "CEO") and the oversight of the Board, with the objective of enhancing the long-term value of the Corporation. The Board is elected by the shareholders to oversee management of the business and affairs of the Corporation and is required by law to act in the best interests of the Corporation as a whole having due regard to the interests of the shareholders and, as applicable, other stakeholders.

Oversight Responsibility

In fulfilling its stewardship role to supervise the management of the business and affairs of the Corporation, the Board shall oversee the development of, and approve, the Corporation's goals and objectives and the strategy for their achievement, including by providing oversight and guidance on the strategic issues facing the Corporation and on the implementation of appropriate business plans to effect corporate strategy, and monitoring the Corporation's progress towards the execution of its strategy and the achievement of its goals and objectives. In furtherance of that responsibility, the Board shall consider the principal risks of the business in which the Corporation is engaged with a view to achieving a proper balance between risks incurred and the potential return, and satisfy itself that there are systems in place to monitor and manage those risks with a view to the long-term viability and interests of the Corporation.

Individual Director Responsibilities

Directors shall perform the roles and functions described in this Board Charter and the in charters of all Committees on which they serve. They must devote sufficient time and resources to carry out their

responsibilities, including through attendance and active participation at Board and Committee meetings and diligent review of materials distributed in connection therewith. The Corporation shall make arrangements to facilitate director attendance and participation by telephone, electronic means or other communication facilities that permit all participants to hear each other. In serving as Board and Committee members, directors shall comply with all applicable laws, including the *Business Corporations Act* (Alberta) and applicable securities laws.

Board Composition, Qualifications and Independence

Number of Directors. The size of the Board shall be fixed from time to time in accordance with the provisions of the Corporation's constating documents and bylaws, as in effect from time to time.

Director Independence Generally. A majority of the Board shall be individuals who are not officers or employees of the Corporation or any of its affiliates, and do not otherwise have any direct or indirect relationship with the Corporation or any of its affiliates that could, in the Board's view, be reasonably expected to interfere with the exercise of his or her independent judgment, and otherwise meet such criteria for independence as are prescribed under applicable corporate and securities laws for determining the independence of a Canadian public company's directors generally (and not, for certainty, such additional criteria as may be applicable in respect of an audit committee).

The Board shall otherwise be comprised of persons who, individually and in the aggregate, meet all applicable qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time. The Board will regularly review the relationships between the Corporation and each director and other relevant factors to determine whether applicable independence and other qualification criteria are met, including in advance of any proposal to nominate an incumbent director for re-election to the Board.

Independence of Committee Members. In addition to the independence requirements applicable to directors generally, the Board shall, in constituting any particular Committee and appointing the members thereof, have regard to such additional criteria for independence as may be applicable in respect of that Committee under applicable corporate and securities laws and stock exchange requirements, including in particular the additional independence standards applicable in respect of audit committees.

Nomination of Board Members. The Nominating and Corporate Governance Committee of the Board ("NCGC") shall lead the search for and identify individuals qualified to serve on the Board. The NCGC will evaluate director candidates and inquire into their backgrounds and qualifications, and make recommendations to the Board regarding director nominees to be presented for approval at shareholders' meetings or for appointment between shareholders' meetings, as applicable. Shareholders may nominate directors for election at the Corporation's annual shareholders' meeting in accordance with applicable law and the Corporation's constating documents and bylaws, as in effect from time to time.

Director Qualifications. The Corporation seeks a Board comprised of individuals that, taken together, represent depth and diversity of experience at policy-making levels in business and other areas relevant to the Corporation's business and affairs. With that in mind, the Board considers candidates diverse in background and professional and educational experience. All directors must have high personal and professional ethics and integrity and exhibit characteristics of diligence, objectivity, accountability, informed judgment, financial literacy, maturity, high performance standards and relevant knowledge and skills. Directors must be committed to representing the best interests of the Corporation.

Directors should be prepared to serve on the Board for an extended period, and must be committed to devoting the time and resources necessary to carry out their responsibilities and be sufficiently familiar with the business and affairs of the Corporation to ensure active participation in the deliberations of the Board and each Committee on which he or she serves.

Director Orientation and Continuing Education

New Board members are to be provided with a director orientation session and continuing directors are to be provided opportunities for continuing education to become more knowledgeable about areas of importance to the Corporation's business and affairs. In addition, management of the Corporation shall make appropriate personnel available to answer any questions a director may have about any aspect of the Corporation's business and affairs. Directors are free to contact the CEO at any time to discuss any aspect of the Corporation's business and affairs, and shall have unrestricted access to other officers, employees and advisors of the Corporation and its subsidiaries.

Resignation and Tenure of Service

Management directors shall offer to resign as a director (subject to acceptance by the Board) at the time of retiring or resigning from employment with the Corporation or any subsidiary thereof, as applicable. A director is also expected to offer to resign (subject to acceptance by the Board) in the event of any change in personal or professional circumstances that compromises his or her ability to effectively serve as a director of the Corporation and carry out his or her responsibilities. If an offer to resign is not accepted by the Board, then the director's tenure will continue unaffected for the remaining term. Although the Board does not consider term limits on a director's service to necessary or appropriate for the Corporation, directors cannot expect nomination for re-election after each term until retirement. The Board's self-evaluation process referred to below is an important factor in determining a Board member's tenure.

Director Compensation

Compensation and other benefits to directors shall be reviewed annually by an appropriate Committee and guided by the principles that directors be fairly compensated for the work required in light of scale and scope of the Corporation and its business and affairs, that the interests of directors be aligned with the best interests of the Corporation and that the compensation and benefits program be transparent to shareholders.

Ethics and Conflicts of Interest

The Board expects the Corporation's directors, officers and employees to act ethically at all times and to adhere to the Corporation's Code of Business Conduct and Ethics as in effect from time to time. Directors must promptly disclose to the Board and the NCGC any actual or potential conflicts of interest involving or affecting a director, and must comply with all applicable requirements of corporate and other laws in connection with the conflict. Disclosure of conflicts must be made promptly and in any event prior to any Board or Committee meeting at which transactions or other matters to which the actual or potential conflict relates are expected to be considered. Directors must recuse themselves from Board or Committee proceedings or decisions affecting their personal, business or professional interests, or otherwise as required by law.

Board Structure and Meetings

Board Leadership. The Board is led by its Chair, who shall be a director selected by resolution of the Board who is independent within the meaning of applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject. The Board Chair shall preside at all Board meetings (including in camera sessions), and approve the agenda in consultation with the CEO and, as considered appropriate by the Chair, Committee chairs and other directors. Any director may request that additional items be included on the agenda for a Board meeting.

Board Meetings. The Board shall meet not less than once per fiscal quarter to (without limitation) review, receive and discuss presentations and reports by management on the Corporation's performance, business, strategic plans, opportunities and prospects, and progress towards its goals and objectives, as well as immediate issues confronting the Corporation. The Board will meet at such other times and intervals as are necessary to effectively supervise the management of the business and affairs of the Corporation and otherwise fulfill its responsibilities, and also hold periodic informational sessions from time to time at the instance of the Chair of the Board or the CEO to update the directors on significant developments and events.

Absent extenuating circumstances, directors are expected to attend all scheduled meetings of the Board and of Committees on which they serve, and review in advance meeting materials distributed in connection therewith.

Unless the Board determines it to be impracticable in respect of any particular meeting, the Board shall hold an in camera session without management or non-independent directors at each regular meeting of the Board.

Board Committees. The Board has established the following 4 standing Committees to assist it in discharging its responsibilities: (i) Audit Committee; (ii) Reserves Committee; (iii) Compensation Committee; and (iv) Nominating and Corporate Governance Committee. Each such Committee has its own charter. The Board may, from time to time, establish and maintain such additional Committees, or reorganize existing Committees, as it deems necessary or appropriate in its discretion. Committee members are appointed by the Board and may be removed by the Board in its discretion. In appointing Committee members the Board shall designate one member as Committee chair, who shall (among other things) be responsible for reporting to the Board on the Committee's activities. Committee meetings may be held in conjunction with full Board meetings.

The membership of each Committee shall meet all applicable independence and other qualification criteria with which the Corporation is required to comply under applicable corporate and securities laws and stock exchange requirements to which the Corporation is subject, and any applicable policies of the Board from time to time.

No member of the Audit Committee may simultaneously serve on more than 2 other audit committees of public companies, unless the Board shall have determined that such simultaneous service will not impair the member's ability to effectively serve on the Audit Committee.

Unless a Committee determines otherwise, the agenda, materials and minutes for each Committee meeting shall be available to all directors, and other directors may attend a Committee meeting (provided that management directors cannot participate in any in camera session of a Committee). Any director may request that an item from a Committee meeting agenda be considered by the full Board.

A Committee's chair shall preside at all meetings of that Committee (including in camera sessions), and approve the agenda in consultation with the Board Chair, appropriate executive officers of the Corporation and, as considered appropriate by the Committee chair, other directors. Any Committee member may request that additional items be included on the agenda for a Committee meeting.

Annual Performance Evaluation. The Board and each Committee will perform an annual self-evaluation, under which each director will be asked to provide his or her assessment of the effectiveness of the Board and each Committee on which the director serves.

Access to Management and Advisors

Directors shall have unrestricted access to the management and advisors of the Corporation and its subsidiaries. The Board and its Committees have the right at any time to engage, at the Corporation's expense, independent legal counsel and such other advisers as the Board or such Committee may, in its discretion, from time to time determine to be appropriate in the performance of its responsibilities, and to determine the terms of engagement.

Succession Planning

The Board will monitor, develop and implement succession planning for the CEO and other senior executives, based on recommendations from the appropriate Committee(s). The CEO should at all times make available his or her recommendations and evaluations of potential successors, including a review of any recommended development plans for such individuals.

Board Interaction with External Constituencies

The Board takes the position that management speaks for the Corporation. Accordingly, directors will not meet or otherwise directly communicate with shareholders, research analysts, vendors, press representatives or other external constituencies on behalf of the Corporation unless the communication (i) is requested by the Chair, the CEO or the Board, (ii) is necessary in the performance of responsibilities hereunder or the applicable Committee charter, or (iii) occurs during the course of a Board or Committee meeting in which shareholder observers are participating.

A majority of the independent directors shall approve the Corporation's process for collecting and organizing shareholder communications to the Board.

Reporting of Concerns and Other Communications with the Board

Any complaint, concern or other communication from an interested person regarding (i) accounting, auditing, internal control or financial reporting matters, or legal or regulatory compliance at the Corporation, should be directed to the Chair of the Audit Committee, or (ii) any other matter concerning the Corporation, should be directed to the Chair, in either case in care of the Corporate Secretary of the Corporation, at the Corporation's principal office in Calgary, Alberta.

Majority Voting Policy

The Board shall adopt a majority voting policy pursuant to which any director nominated for election at a shareholders' meeting involving an uncontested election must tender to the Board his or her resignation if not elected by a majority of votes cast in respect of his or her election. The policy shall apply to

incumbent and new directors, and a director must offer to resign in the circumstances and as otherwise provided in the policy.