Prairie Provident Announces Fourth Quarter and Year-End 2017 Financial and Operating Results

Calgary, Alberta – March [29], 2018 – Prairie Provident Resources Inc. ("Prairie Provident", "PPR" or the "Company") is pleased to announce its operating and financial results for the three months and year ended December 31, 2017, and to provide an operational update. PPR's audited consolidated financial statements ("Annual Financial Statements") and related Management's Discussion and Analysis ("MD&A") for the three months and year ended December 31, 2017 and annual information form dated March 28, 2018 ("AIF") are available on its website at www.ppr.ca and filed on SEDAR.

Prairie Provident's Annual Financial Statements present the results for the properties owned by Lone Pine Resources Canada Ltd. ("Lone Pine") for the period up to September 12, 2016 and for the combination of Lone Pine and Arsenal Energy Inc. after September 12, 2016. This is a significant factor in understanding the year-over-year and quarter-over-quarter financial results of Prairie Provident. This news release contains forward-looking information and statements and non-IFRS measures. Readers are cautioned that the news release should be read in conjunction with the Company's disclosures under the headings "Forward-Looking Statements" and "Non-IFRS Measures" included at the end of this news release.

FOURTH QUARTER 2017 HIGHLIGHTS

- Average production in the fourth quarter was 4,872 boe/d, compared to 4,845 during the same period in 2016. Excluding the impact from divesting approximately 400 boe/d non-core natural-gas weighted producing assets, average production increased by approximately 9% over the same period in 2016. Continued weak benchmark natural gas prices in Alberta drove the Company's conscious decision to allocate capital resources away from natural gas opportunities in favour of oil and liquids targets. As a result of this shift, the Company's oil and liquids production weighting increased to 69% for the quarter, compared to 58% for the same period in 2016.
- Adjusted funds from operations totaled $5.5 million in the fourth quarter of 2017, a $1.6 million decrease compared to the same period of 2016, primarily due to higher interest expenses and lower realized hedging gains.
- Operating netbacks after realized hedging gains were $22.04/boe in the fourth quarter of 2017, which reflected higher realized prices, an increased oil and liquids weighting but lower realized gains on derivative instruments and higher operating costs compared to $22.32/boe for the same period in 2016.
- Capital expenditures prior to acquisitions or dispositions in the quarter were $7.2 million, with approximately $4.0 million directed to drilling, completion and tie-in activities, primarily in Wheatland, Princess and Evi; $2.1 million was directed to land and seismic in the Princess area and the remaining to capitalized G&A. The land and seismic purchase at Princess is

complementary to our existing landholdings and provides additional step out locations to our core play.

2017 ANNUAL HIGHLIGHTS

- Full-year 2017 production averaged 5,470 boe/d (62% liquids), an increase of 49% over 2016 due to production additions from the Arsenal (September 2016) and Red Earth (March 2017) Acquisitions and the impact of volumes being brought on-stream from the 2016 and 2017 development programs. An uncertain oil pricing environment during the first half of 2017 led PPR to postpone its 2017 capital program to preserve liquidity and protect project economics. This deferral, coupled with the disposition of certain non-core natural gas weighted properties, resulted in annual average production that was below guidance.
- Capital expenditures and acquisitions during 2017 totaled $64.2 million (net of $1.4 million in proceeds for dispositions), including $40.9 million for the Red Earth Acquisition. Excluding acquisitions and dispositions, capital expenditures of $23.7 million were focused on exploration efforts to delineate PPR's prospects at Wheatland and to meet its flow-through share commitments. An unbudgeted strategic land and seismic acquisition of $2.1 million in the fourth quarter and the acceleration of some 2018 capital into 2017 in response to improved oil prices increased spending by $3.8 million over PPR's $25 million capital guidance (including ARO expenditures).
- Operating netbacks after realized hedging gains of $17.48/boe decreased $0.47/boe from 2016. Higher realized prices were offset by lower realized gains on derivative instruments, higher royalty expenses and higher operating expenses per boe related to lower production volumes.
- Adjusted funds from operations totaled $23.1 million, a $9.8 million increase compared to 2016, primarily due to higher production volumes, partially offset by reduced gains on derivative instruments.
- As a result of prolonged weakness in the current and forecast price environment for natural gas and to a lesser extent, crude oil, PPR recorded total impairment losses of $34.2 million in 2017, primarily against the production and development assets in the Wheatland and Princess cash generating units. The impairment losses were the primary contributors to the net loss of $47.8 million recognized for 2017.
- As at December 31, 2017, PPR had US$31.3 million drawn against its US$40 million revolving facility and had US$16.0 of Senior Notes outstanding, plus a working capital deficit of $2.2 million.
- PPR has extended its lease acquisition commitment to March 31, 2019 and provided the Company spends $37.5 million towards the $45 million commitment by March 31, 2019, its remaining commitments will be further extended until September 30, 2019. As of December 31, 2017, the Company had incurred a total of $21.3 million towards the total capital commitment. In the first quarter of 2018, PPR has further incurred approximately $6 million on its Wheatland development. PPR expects to fulfill the remaining capital commitment through its planned capital program.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three Months Ended December 31,		Year Ended December 31,	
($000s except per unit amounts)	**2017**	**2016**	**2017**	**2016**
Financial				
Oil and natural gas revenue	**20,510**	17,060	**79,011**	42,748
Net loss	**(44,145)**	(8,782)	**(47,802)**	(60,396)
Per share – basic & diluted[1]	**(0.38)**	(0.09)	**(0.42)**	(0.62)
Adjusted Funds from operations[2]	**5,545**	7,107	**23,075**	13,259
Per share – basic & diluted[3]	**0.05**	0.07	**0.20**	0.14
Net capital expenditures	**6,251**	11,918	**64,198**	34,875
Production Volumes				
Crude oil (bbls/d)	**3,233**	2,653	**3,178**	2,012
Natural gas (Mcf/d)	**9,200**	12,300	**12,537**	9,253
Natural gas liquids (bbls/d)	**106**	142	**202**	126
Total (boe/d)	**4,872**	4,845	**5,470**	3,680
% Liquids	**69%**	58%	**62%**	58%
Average Realized Prices				
Crude oil ($/bbl)	**62.01**	54.28	**56.01**	**46.75**
Natural gas ($/Mcf)	**1.81**	3.09	**2.47**	**2.21**
Natural gas liquids ($/bbl)	**54.86**	24.49	**37.08**	**17.91**
Total ($/boe)	**45.76**	38.27	**39.57**	**31.74**
Operating Netback ($/boe)[4]				
Realized price	**45.76**	38.27	**39.57**	**31.74**
Royalties	**(4.84)**	(5.09)	**(5.20)**	**(3.63)**
Operating costs	**(20.78)**	(13.92)	**(19.36)**	**(17.39)**
Operating netback	**20.14**	19.26	**15.01**	**10.72**
Realized gains on derivative instruments	**1.90**	3.06	**2.47**	**7.23**
Operating netback, after realized gains on derivative instruments	**22.04**	22.32	**17.48**	**17.95**

Notes:

(1)(3) As the historical financial statements were prepared on a combined and consolidated basis, it is not possible to measure per share amounts until after the closing of the Arrangement on September 12, 2016 when Lone Pine and Arsenal were brought under a common parent entity. The Company calculated per share information for the current and historical periods by assuming that the common shares issued upon the closing of the Arrangement at September 12, 2016 were outstanding since the beginning of the period

(2)(4) Adjusted funds from operations and Operating Netback are non-IFRS measures and are defined below under "Other Advisories

Capital Structure	As at	As at
($000s)	December 31, 2017	December 31, 2016
Working capital (deficit)(1)	**(2,201)**	(4,380)
Long-term debt	**(55,760)**	(15,047)
Total net debt(2)	**(57,961)**	(19,427)
Current debt capacity(3)	**11,291**	34,117
Common shares outstanding (in millions) (4)	**115.9**	104.2

Notes:

(1) Working capital (deficit) is a non-IFRS measure (see Other Advisories below) calculated as current assets less current liabilities excluding the current portion of derivative instruments, the current portion of decommissioning liabilities and flow-through share premium.

(2) Net debt is a non-IFRS measure (see Other Advisories below), calculated by adding working capital (deficit) and long-term debt.

(3) Current debt capacity reflects the undrawn capacity of the USD$40 million Revolving Facility at December 31, 2017 and of $55 million previously outstanding credit facility at December 31, 2016. Revolving Facility debt capacity was translated using the year end exchange rate of $1.0000 USD to $1.2545 CAD.

(4) As historical financial statements were prepared on a combined and consolidated basis (see note 3(a) to the Annual Financial Statements), common shares outstanding is not a relevant measure until subsequent to the closing of the Arsenal Acquisition on September 12, 2016 when Lone Pine and Arsenal were brought under a common parent entity.

	Three months ended December 31		Year ended December 31	
	2017	2016	**2017**	2016
Drilling Activity				
Gross wells	**-**	3	**6**	14
Working interest wells	**-**	2.95	**5.7**	12.65
Success rate, net wells (%)	**N/A**	100	**82**	100

OPERATIONS UPDATE

Wheatland, AB

For the year ended December 31, 2017, PPR's Wheatland properties averaged 2,083 boe/d (27% liquids) and represented 38% of PPR's total production. During the fourth quarter, area production averaged 1,619 boe/d (27% liquids), contributing 33% to the Company's total volumes.

PPR's 2017 capital program at Wheatland totaled $13.6 million and included equipping and tying-in two wells that were drilled in late 2016; and drilling five gross (4.7 net) wells to further delineate the Company's Ellerslie play in the Wayne area, where wells average 60% oil compared to 23% across the broader Wheatland area. While the delineation provided valuable data in helping PPR to further map its land base, which led to the acquisition in 2017 an additional 17 gross (11 net) sections of land and 10 square miles of 3D seismic at Wayne, they did not add significant production for the three months and year ended December 31, 2017.

The Company has identified an additional 15 potential Ellerslie horizontal drilling locations in the Wayne play and plans to drill and complete up to six wells in 2018. Subsequent to year end, three wells were drilled and completed, with results released on March 20, 2018.

Princess, AB

Production at Princess averaged 388 boe/d (85% liquids) during 2017 and 408 boe/d (83% liquids) during the fourth quarter. Area capital expenditures during 2017 of $6.2 million were directed to tying-in three wells, acquiring 14.5 net sections prospective for Glauconite and Basal Mannville oil, and roughly 30 sections of additional 3D seismic, which is expected to facilitate the identification of attractive future potential oil drilling locations.

The Company has identified 15 potential oil drilling locations in the Detrital, Basal Mannville and Glauconite formations and commenced drilling activities in the first quarter of 2018. Prairie Provident plans to spend approximately $10 million on the drilling and completion of up to six Glauconite horizontal oil wells at Princess during 2018.

Evi, AB

The Evi properties produced average sales volumes of approximately 2,108 boe/d (98% liquids) during 2017, contributing 39% to PPR's overall production, and 2,225 boe/d (97% liquids) during the fourth quarter of 2017. On March 22, 2017, PPR closed the acquisition of oil and natural gas assets in the Greater Red Earth area of Northern Alberta for cash consideration of $40.9 million. The acquired assets include high-quality and low-decline oil production complementary to its existing operations in the Peace River Arch area. The acquisition further enhances the Company's size and competitive position through an increased liquids ratio, lower corporate decline and the potential to improve operating netbacks.

Excluding acquisitions, PPR's 2017 capital expenditures in Evi totaled $1.1 million, which were primarily directed to expansion of the area waterflood by converting low-productivity wells to water injection wells and the recompletion of three wells designed to access additional uphole zones in the wellbores.

The Company anticipates spending approximately $7 million at Evi in 2018 to convert up to eight additional wells to injectors and the drilling of 3 vertical directional Granite Wash wells.

2018 OUTLOOK AND GUIDANCE

Prairie Provident's business strategy has been built on a balanced approach, utilizing predictable funds flows from our low decline oil assets to fuel growth developments. Our priorities continue to focus on maintaining a strong balance sheet while delivering accretive asset value growth for our shareholders. PPR's capital allocation process takes into account a number of factors including rate-of-return, project payout period and reserves addition cost. In response to the broader commodity price environment, the Company will continue to focus on improving corporate netbacks by targeting higher value production streams while striving to lower costs through various operational initiatives such as pad drilling and evaluating opportunities to acquire underutilized infrastructure in our operating areas.

On January 29, 2018 PPR's Board of Directors approved a $26 million capital program for 2018 (excluding land purchases and property acquisitions or dispositions) designed to support long-term profitability and balance sheet strength through the continued development of oil-weighted opportunities within its low-risk asset base. The capital program anticipates continued development of PPR's Wayne property at Wheatland, ongoing drilling and completions at Princess, and further expansion of the attractive waterflood at Evi and oil development at Red Earth.

Prairie Provident will continue to actively manage expected commodity price volatility over the near-term, while taking steps to mitigate price risk, including executing an active risk management program. PPR intends to continue adding positions to its hedge book which currently provides protection to approximately 65% of its 2018 forecast base volumes (net of royalties) and is expected to support adjusted funds from operations through 2019 and beyond. Operationally, the Company will remain focused on capturing capital and operating efficiencies and protecting its financial position.

Prairie Provident's full-year 2018 guidance estimates remain unchanged from those presented in the Company's release dated February 6, 2016 and are outlined in the following table. Additional details on Prairie Provident's 2018 capital program and guidance can be found on the Company's website at www.ppr.ca.

2018 BUDGET AND GUIDANCE SUMMARY

Production guidance	5,200 - 5,600 boe/d
Liquids weighting	68 - 71%
Capital expenditures (excluding abandonment and reclamation expenditures and capitalized G&A)	$26 million
Operating expense	$17.00 - 18.50/boe
Operating netback[1]	$20.50 – 22.00/boe
2018 year-end long-term debt (net of cash collateralized for letters of credit)	$58 million
Financial Assumptions	
Oil (WTI)	US$63.00/bbl
Oil (WCS)	C$51.50/bbl
Natural gas (AECO)	C$1.40/mcf
Edmonton Light/WTI differential	C$6.00
USD/CAD exchange rate	0.81

1. Operating netback is a non-IFRS measure (see "Other Advisories" below).

Within a challenging market for Canadian energy producers, PPR remains focused on increasing exposure of the Company to the broader investment community and enhancing the trading liquidity of its shares.

Further, the Company firmly believes that continued operational execution, growth on a per share basis, and prudent management of the balance sheet will ultimately be the key drivers towards increasing shareholder value.

ABOUT PRAIRIE PROVIDENT:

Prairie Provident is a Calgary-based company engaged in the exploration and development of oil and natural gas properties in Alberta. The Company's strategy is to grow organically in combination with accretive acquisitions of conventional oil prospects, which can be efficiently developed. Prairie Provident's operations are primarily focused at Wheatland and Princess in Southern Alberta targeting the Ellerslie and the Lithic Glauc formations, along with an early stage waterflood project at Evi in the Peace River Arch. Prairie Provident protects its balance sheet through an active hedging program and manages risk by allocating capital to opportunities offering maximum shareholder returns.

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FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking information and statements within the meaning of applicable Canadian securities laws. Statements involving forward-looking information relate to future performance, events or circumstances, and are based upon internal assumptions, plans, intentions, expectations and beliefs. All statements other than statements of current or historical fact constitute forward-looking information. Forward-looking information is typically, but not always, identified by words such as "anticipate", "believe", "expect", "intend", "plan", "budget", "forecast", "target", "estimate", "propose", "potential", "project", "continue", "may", "will", "should" or similar words suggesting future outcomes or events or statements regarding an outlook. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: projected capital expenditure plans, production and product mix, production growth expectations, development and exploration plans at Wheatland, Princess and Evi (including with respect to numbers of wells at Wheatland and Princess and Evi waterflood activities and expectations), opportunities for operating cost reductions in the Greater Red Earth area, continued focus on corporate netbacks and capital efficiency and anticipated activities in furtherance thereof, future hedging arrangements, projected annual and exit production, operating costs, operating netback, royalties, G&A expenses, capital expenditures and adjusted funds from operations of Prairie Provident for 2018 and beyond, assumptions as to future commodity prices, its risk management plans for 2018 and beyond, use of excess funds from operations for debt repayment, per share production growth, drilling inventory numbers, expected benefits of waterflood initiatives, view on potential benefits from the Red Earth Acquisition and future merger and acquisition activities.

The forward-looking information and statements contained in this news release reflect material factors and expectations and assumptions of Prairie Provident including, without limitation: commodity prices and foreign exchange rates for 2018 and beyond; the timing and success of future drilling, development and completion activities (and the extent to which the results thereof meet Management's expectations); the continued availability of financing (including borrowings under the Company's credit facility) and cash flow to fund current and future expenditures, with external financing on acceptable terms; future capital expenditure requirements and the sufficiency thereof to achieve the Company's objectives; the performance of both new and existing wells; production from the Red Earth Acquisition and capital and operating costs in respect thereof; the timely availability and performance of facilities,

pipelines and other infrastructure in areas of operation; the geological characteristics and quality of Prairie Provident's properties and the reservoirs in which the Company conducts oil and gas activities (including field production and decline rates); successful integration of the Red Earth Acquisition assets into the Company's operations; the successful application of drilling, completion and seismic technology; future exploration, development, operating, transportation, royalties and other costs; the Company's ability to economically produce oil and gas from its properties and the timing and cost to do so; the predictability of future results based on past and current experience; prevailing weather conditions; prevailing legislation and regulatory requirements affecting the oil and gas industry (including royalty regimes); the timely receipt of required regulatory approvals; the availability of capital, labour and services on timely and cost-effective basis; the creditworthiness of industry partners and the ability to source and complete acquisitions; and the general economic, regulatory and political environment in which the Company operates. Prairie Provident believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

All information and statements that are in the nature of a financial outlook are forward-looking statements as they relate to prospective financial performance, financial position or cash flows based on assumptions about future economic conditions and courses of action. Financial outlook information in this news release includes statements regarding future funds flow from operations and operating netback, which are subject to the assumptions, risk factors, limitations and qualifications set forth above. All financial outlook information is made as of the date of this news release and is provided for the sole purpose of describing the Company's internal expectations on cash flows for 2018, and should not be used, and may be inappropriate for, any other purpose.

Although Prairie Provident believes that the expectations and assumptions upon which the forward-looking information in this news release is based are reasonable based on currently available information, undue reliance should not be placed on such information, which is inherently uncertain, relies on assumptions and expectations, and is subject to known and unknown risks, uncertainties and other factors, both general and specific, many of which are beyond the Company's control, that may cause actual results or events to differ materially from those indicated or suggested in the forward-looking information. Prairie Provident can give no assurance that the forward-looking information contained herein will prove to be correct or that the expectations and assumptions upon which they are based will occur or be realized. These include, but are not limited to: risks inherent to oil and gas exploration, development, exploitation and production operations and the oil and gas industry in general, including geological, technical, engineering, drilling, completion, processing and other operational problems and potential delays, cost overruns, production or reserves loss or reduction in production, and environmental, health and safety implications arising therefrom; uncertainties associated with the estimation of reserves, production rates, product type and costs; adverse changes in commodity prices, foreign exchange rates or interest rates; the ability to access capital when required and on acceptable terms; the ability to secure required services on a timely basis and on acceptable terms; increases in operating costs; environmental risks; changes in laws and governmental regulation (including with respect to royalties, taxes and environmental matters); adverse weather or break-up conditions; competition for labour, services, equipment and materials necessary to further the Company's oil and gas activities; and changes in plans with respect to exploration or development projects or capital expenditures in respect thereof. These and other risks are discussed in more detail in the Company's current annual information form and other documents filed by it from time to time with securities regulatory authorities in Canada, copies of which are available electronically under Prairie Provident's issuer profile on the SEDAR website at www.sedar.com and on the Company's website at www.ppr.ca. This list is not exhaustive.

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Prairie Provident assumes no obligation to publicly update or revise them to reflect new events or circumstances, or otherwise, except as may be required pursuant to applicable laws. All forward-looking information and statements contained in this news release are expressly qualified by this cautionary statement.

OTHER ADVISORIES

The oil and gas industry commonly expresses production volumes and reserves on a “barrel of oil equivalent” basis (“boe”) whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead nor at the plant gate, which is where Prairie Provident sells its production volumes. Boes may therefore may be a misleading measure, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency ratio of 6:1, utilizing a 6:1 conversion ratio may be misleading as an indication of value.

Non-IFRS Measures

The Company uses certain terms in this news release and within the MD&A that do not have a standardized or prescribed meaning under International Financial Reporting Standards (IFRS), and, accordingly these measurements may not be comparable with the calculation of similar measurements used by other companies. For a reconciliation of each non-IFRS measure to its nearest IFRS measure, please refer to the “Non-IFRS Measures” section in the MD&A. Non-IFRS measures are provided as supplementary information by which readers may wish to consider the Company's performance, but should not be relied upon for comparative or investment purposes. The non-IFRS measures used in this news release are summarized as follows:

Working Capital – Working capital (deficit) is calculated as current assets less current liabilities excluding the current portion of derivative instruments, the current portion of decommissioning liabilities, the warrant liability and flow-through share premium. This measure is used to assist management and investors in understanding liquidity at a specific point in time. The current portion of derivatives instruments is excluded as management intends to hold derivative contracts through to maturity rather than realizing the value at a point in time through liquidation. The current portion of decommissioning expenditures is excluded as these costs are discretionary and the current portion of flow-through share premium liabilities are excluded as it is a non-monetary liability.

Net Debt – Net debt is defined as long-term debt plus working capital surplus or deficit. Net debt is commonly used in the oil and gas industry for assessing the liquidity of a company.

Operating Netback – Operating netback is a non-IFRS measure commonly used in the oil and gas industry. This measurement assists management and investors to evaluate the specific operating performance at the oil and gas lease level. Operating netbacks included in this news release were determined by taking (oil and gas revenues less royalties less operating costs) divided by gross working interest production. Operating netback, including realized commodity (loss) and gain, adjusts the operating netback for only realized gains and losses on derivative instruments.

Adjusted Funds from Operations – Adjusted funds from operations is calculated based on cash flow from operating activities before changes in non-cash working capital, transaction costs, restructuring costs, decommissioning expenditures and other non-recurring items. Management believes that such a measure provides an insightful assessment of Prairie Provident’s operation performance on a continuing basis by eliminating certain non-cash charges and charges that are non-recurring and utilizes the measure to assess its ability to finance operating activities, capital expenditures and debt repayments. Adjusted funds from operations as presented is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.