Prairie Provident Announces Closing of $5.5 Million Equity Financing, including Exercise of Over-Allotment Option, and Expands Light Oil Drilling Program at Evi

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CALGARY, ALBERTA (October 11, 2018) – Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX: PPR) is pleased to announce the closing of its previously announced bought deal financing ("Bought Deal Financing") and strategic private placement, each led by Mackie Research Capital Corporation ("MRCC") for total gross proceeds of $5.5 million, including exercise of the over-allotment option under the Bought Deal Financing.

Pursuant to the Bought Deal Financing, the Company issued 6,810,200 subscription receipts ("Subscription Receipts") at a price of $0.39 per Subscription Receipt and 3,750,150 common shares on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) ("Flow Through Shares") at a price of $0.46 per Flow-Through Share, for total gross proceeds of approximately $4.4 million.

In addition, the Company closed its previously announced private placement with a strategic investor of an additional 2,780,000 Subscription Receipts at a price of $0.39 per Subscription Receipt for gross proceeds of approximately $1.1 million (the "Private Placement" and, together with the Subscription Receipt portion of the Bought Deal Financing, the "Subscription Receipt Offering").

As previously announced on September 13, 2018, the Company has entered into an agreement to effect the acquisition of Marquee Energy Ltd. by way of a plan of arrangement (the "Arrangement") whereby Marquee Energy Ltd. ("Marquee") shareholders will receive 0.0886 of a Prairie Provident common share for each Marquee share. Upon completion of the Arrangement, Prairie Provident production is anticipated to be approximately 7,700 boe/d (69% oil and liquids), and estimated proved plus probable reserves more than double to 43,321 Mboe as of December 31, 2017, yielding a pro forma net asset value per share (based on estimated NPV10 of such reserves at December 31, 2017) of $2.71 (or $561 million).

The gross proceeds from the Subscription Receipt Offering were placed in escrow and will be released to the Company (together with interest thereon), and each holder of Subscription Receipts shall receive one unit of the Company (a "Unit") for no additional consideration, upon MRCC receiving a certificate from the Company to the effect that: (i) all conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the terms of the definitive agreement in respect of the Arrangement (the "Arrangement Agreement") (any such waiver to be consented to by MRCC, acting reasonably); and (ii) receipt by the Company of all necessary regulatory and other approvals regarding the Subscription Receipt Offering and the Arrangement.

Each Unit shall consist of one common share of the Company (a "Unit Share") and one-half of one share purchase warrant (each whole share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share (a "Warrant Share") at the exercise price of $0.50 until October 11, 2020.

If: (i) the Arrangement has not been completed by 5:00 p.m. (Calgary time) on December 6, 2018 (or such later date as MRCC may consent in writing); (ii) the Arrangement Agreement is terminated in accordance with its terms; or (iii) the Company advises MRCC or the public that it does not intend to proceed with the Arrangement, the gross proceeds from the Subscription Receipt Offering will be reimbursed pro rata to the holders of Subscription Receipts together with each such holder's pro rata portion of interest earned thereon, if any. To ensure that each holder of the Subscription Receipt receives an amount equal to the aggregate purchase price of such Subscription Receipts, the Company shall contribute such amounts as are necessary to satisfy any shortfall.

For each Flow-Through Share, the Company has covenanted to incur and renounce to the subscriber, effective for the fiscal year ended December 31, 2018, qualifying "Canadian exploration expenses", within the meaning of the *Income Tax Act* (Canada), in an amount equal to the purchase price of the Flow-Through Share.

The Toronto Stock Exchange ("TSX") has conditionally approved the listing of the Flow-Through Shares, the Unit Shares issuable pursuant to the Subscription Receipts, and the Warrant Shares issuable upon exercise of the Warrants. The Subscription Receipts and Warrants are not separately listed. Listing is subject to the issuer fulfilling all of the requirements of the TSX on or before December 18, 2018.

Light Oil Drilling Program Commencing in October

Prairie Provident is also pleased to announce it has expanded its planned light-oil Granite Wash drilling program at Evi, as part of its flow through share commitment, to four exploration wells (3.5 net). The Company's Evi exploration program will commence in October 2018, at an estimated cost of approximately $1.5 million per well to drill and complete. In addition to its exploration program, Prairie Provident also plans to drill two lower-risk Slave Point light-oil development wells in the area following the completion of its exploration program. These wells are expected to come on stream in February and contribute to first quarter 2019 production.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in the United States or in any other jurisdiction in which any such offer, solicitation or sale would be unlawful. The securities to be offered under the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws, and may not be offered or sold in the United States or to U.S. Persons (as that term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

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 statements ("forward-looking statements") that constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements 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 statements. Forward-looking statements are 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.

Without limiting the foregoing, this news release contains forward-looking statements pertaining to: completion of the Arrangement; anticipated use of proceeds; forecast production on completion of the Arrangement; listing on the TSX of the Flow-Through Shares, Unit Shares and Warrant Shares; and Evi drilling plans (including timing for commencement, estimated drilling and completion costs per well, number of wells, target formations and projected on-stream timing).

Combined reserves data disclosed in this news release (i.e., reserves data assuming completion of the Acquisition) is based on year-end evaluation reports prepared by Sproule Associates Limited for Prairie Provident in a report dated January 23, 2018 and for Marquee in a report dated March 7, 2018, respectively – in each case effective December 31, 2017, prepared in accordance with National Instrument 51-101 and, pursuant thereto, the Canadian Oil and Gas Evaluation Handbook, and applying forecast prices and costs (using Sproule's pricing, exchange rate and inflation rate assumptions as of December 31, 2017) but without giving effect to any year-to-date production in 2018 or any other intervening event since January 1, 2018.

The proved plus probable (2P) reserves figure cited in this news release (43,321 Mboe) is the sum of the Company's estimated 2P reserves as of December 31, 2017 plus Marquee's estimated 2P reserves as of December 31, 2017, based on the evaluations referred to above. Similarly the estimated net present value of future net revenues from 2P reserves (before taxes and discounted at 10% per year) (NPV10) cited in this news release (approximately $561 million) is the sum of the Company's estimated NPV10 as of December 31, 2017 plus Marquee's estimated NPV10 as of December 31, 2017, based on the same year-end evaluations.

The forward-looking statements contained in this news release reflect material factors and expectations and assumptions of Prairie Provident including, without limitation: the timely receipt of TSX and other regulatory approvals relating to the Private Placement, the Bought Deal Financing and the Arrangement; that Marquee shareholders approve the Arrangement at a special meeting scheduled to be held in November; that the Court of Queen's Bench of Alberta approves the Arrangement pursuant to the arrangement provisions of the Business Corporations Act (Alberta); that the Company's lenders enter into definitive agreements to increase Prairie Provident's existing debt facilities by the amounts (and otherwise on the terms) contemplated by their respective commitment letters; and that all other conditions precedent to completion of the Arrangement are satisfied or waived on terms satisfactory to the Company.

Although Prairie Provident believes that the expectations and assumptions upon which the forward-looking statements 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 statements. Prairie Provident can give no assurance that the forward-looking statements 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,; 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 statements contained in this news release are made 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 statements contained in this news release are expressly qualified by this cautionary statement.

Barrel of Oil Equivalent

The oil and gas industry commonly expresses production volumes and reserves on a "barrel of oil equivalent" (boe) basis 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 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.