



## Prairie Provident Resources Files Final Prospectus for Bought Deal and Announces Additional Strategic Private Placement

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SECURITIES LAW.

**Calgary, Alberta – October 3, 2018** – Prairie Provident Resources Inc. ("**Prairie Provident**" or the "**Company**") (TSX: PPR) is pleased to announce that it has obtained a receipt for its final prospectus (the "**Prospectus**") filed in connection with the previously announced revised bought deal short form prospectus offering for total gross proceeds of \$4,000,350 (the "**Bought Deal Financing**") in all provinces of Canada except Quebec.

In addition to the Bought Deal Financing, the Company is undertaking a \$1.1 million private placement with an existing strategic investor, and in connection therewith has engaged Mackie Research Capital Corporation (the "**Agent**") on an agency basis for an exempt offering of 2,780,000 subscription receipts ("**Subscription Receipts**") at a price of \$0.39 per Subscription Receipt for gross proceeds of approximately \$1,100,000 (the "**Private Placement Offering**").

Total gross proceeds for both the bought deal and strategic private placement are approximately \$5,100,350 prior to any exercise of the underwriter's 15% over-allotment option granted in connection with the Bought Deal Financing.

Subject to receipt of required regulatory approvals, the Private Placement Offering is expected to close concurrently with the Bought Deal Financing during the week of October 8, 2018. All securities issued under the Private Placement Offering will be subject to resale restrictions under applicable securities legislation.

As previously announced on September 13, 2018, the Company has entered into an agreement to effect the acquisition of Marquee Energy Ltd. ("**Marquee**") by way of a plan of arrangement whereby Marquee shareholders will receive 0.0886 of a Prairie Provident common share (a "**Common Share**") for each Marquee share (the "**Acquisition**").

The gross proceeds from the Private Placement Offering will be placed in escrow (the "**Escrowed Proceeds**") and will be released to the Company (together with the interest thereon), and each holder of Subscription Receipts shall receive one unit of the Company (a "**Unit**") for no additional consideration, upon the Agent receiving a certificate from the Company to the effect that: (i) all conditions precedent to the completion of the Acquisition have been satisfied or waived in accordance with the terms of the definitive agreement in respect of the Acquisition (the "**Arrangement Agreement**") (any such waiver to be consented to by the Agent, in writing, acting

reasonably); and (ii) receipt by the Company of all necessary regulatory and other approvals regarding the Private Placement Offering and the Acquisition.

Each Unit shall consist of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant shall entitle the holder to acquire one Common Share (a "**Warrant Share**") at the exercise price of \$0.50 for a period of 24 months from the Closing of the Private Placement Offering.

If: (i) the Acquisition has not been completed by 5:00 p.m. (Calgary time) on December 6, 2018 (or such later date as the Agent may consent in writing); (ii) the Arrangement Agreement is terminated in accordance with its terms; or (iii) the Company advises the Agent or the public that it does not intend to proceed with the Acquisition, the gross proceeds from the Private Placement 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 Subscription Receipts 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.

Completion of the Private Placement Offering shall be subject to the receipt of all necessary regulatory approvals and other customary conditions, including Toronto Stock Exchange ("**TSX**") acceptance.

Proceeds of the Private Placement Offering will be used for working capital and general corporate purposes in connection with the Acquisition.

The Company will use reasonable commercial efforts to obtain the necessary approvals to list the Common Shares issuable pursuant to the Subscription Receipts sold under the Private Placement Offering, and the Warrant Shares issuable on the exercise of Warrants, on the TSX. Listing will be subject to the approval of the TSX in accordance with its applicable listing requirements. There is no assurance that the TSX will accept notice of the Private Placement Offering or approve the additional listing.

*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, or any state securities laws, and may not be offered or sold in the United States or to U.S. persons.*

## **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 Glauco 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.

**For further information, please contact:**

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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 the anticipated timing for completing the Private Placement Offering and the Bought Deal Financing, completion of the Acquisition, and anticipated use of proceeds.*

*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 Offering, the Bought Deal Financing and the Acquisition; that Marquee shareholders approve the Acquisition at a special meeting scheduled to be held in November; that the Court of Queen's Bench of Alberta approves the Acquisition 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 Private Placement Offering, the Bought Deal Financing and the Acquisition 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](http://www.sedar.com) and on the Company's website at [www.ppr.ca](http://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.*