Prairie Provident Announces Record Year-End 2018 Reserves and Full-Year Production Volumes

Calgary, Alberta – January 31, 2019 - Prairie Provident Resources Inc. ("Prairie Provident", "PPR" or the "Company") is pleased to announce the results of our independent 2018 year-end reserves evaluation conducted by Sproule Associates Limited ("Sproule") with an effective date of December 31, 2018 (the "Sproule Report") and provide highlights from our year-end 2018 operations.

2018 RESERVES HIGHLIGHTS

- Increased proved developed producing ("PDP"), total proved ("1P") and proved plus probable ("2P") reserves by 29%, 56% and 64%, respectively, over December 31, 2017 reported reserves, bringing totals for PDP, 1P and 2P to 11.0 MMboe, 22.4 MMboe and 33.9 MMboe, respectively;
- Significantly grew higher-value liquids reserves in 2018 as total liquids represented 73% of 1P reserves, with total liquids reserves increasing 15%, 46% and 54% across PDP, 1P and 2P, respectively, relative to December 31, 2017 reported reserves;
- Increased the before-tax estimated net present value of future net revenue (discounted at 10%) for PDP, 1P and 2P reserves by 16% to $175 million, 45% to $301 million and 66% to $495 million, respectively;
- Achieved reserves per share growth of 5% and 10% year-over-year in 1P and 2P reserves, respectively;
- Generated 1P and 2P finding, development and acquisition ("FD&A")(1) costs of $16.51/boe and $12.54/boe, respectively, including change in future development costs and technical revisions;
- Net asset value ("NAV")(1) per basic common share on a PDP, 1P and 2P basis totaled $0.43, $1.16 and $2.29, respectively; and
- Increased 2P reserve life index to 14.5 years based on January 2019 current production of 6,400 boe/d.

Note:

(1) See "Capital Efficiencies" and "Net Asset Value" below. FD&A and NAV do not have standardized meanings. See "Cautionary Statements" below.

RESERVES DETAIL

The strength of PPR's strategy was demonstrated through 2018, as the Company closed on a corporate acquisition, successfully executed a $29 million capital program, and was able to quickly respond to volatility and unexpected changes in commodity prices, ultimately achieving record high reserves and production with solid capital efficiencies. Our capital program continued to target higher-value oil and liquids-weighted drilling locations and we remained active through the year with acquisitions, drilling and waterflood expansion; all of which contributed to the growth in PPR's reserves base.

On November 21, 2018, we closed the acquisition of Marquee Energy Ltd. (“Marquee”), whose assets were focused primarily in the Michichi area targeting Banff light oil. This acquisition provided PPR with an expanded oil-weighted growth profile offering superior economies of scale and lower-risk development drilling opportunities. With the success realized in expanding the reserves and production through 2018, PPR is well positioned for growth with a strong portfolio of 1P and 2P economic locations.

The Marquee acquisition provides approximately 60 drill-ready locations. Future development of these locations is expected to unlock significant value for our shareholders, evidenced by our 1P and 2P NAV/share of $1.16 and $2.29, respectively, at December 31, 2018. See "Net Asset Value" and "Cautionary Statements" below.

Our drilling program at Princess in 2018 brought on five new wells with record initial production rates and identified a new Glauconite channel over prospective lands. At Princess, we added over 2 MMboe of 2P reserves in 2018.

At Evi, our development strategy, which has evolved over time in response to the Company’s commitment to value creation, is focused on expanding reserves, lowering decline rates and stabilizing production through waterflood. With the transition of Evi to waterflood, previously booked PUD locations in the area will not be drilled. Instead, as reflected in the Sproule Report, the development of these locations is expected to be replaced with waterflood expansion. The waterflood strategy at Evi has already proven successful with the addition of 363,500 boe of new 2P reserves in 2018 and approximately 850,000 boe of 2P reserves added over the last three years. PPR’s full transition to waterflood at Evi is reflected in technical revisions within the Sproule Report. The adjustment serves to better align the Company’s overall reserves with its ongoing asset development and capital allocation strategy.

At Wheatland, the shut-in of certain gas wells and underperformance of gas-weighted wells resulted in negative technical revisions in 2018. Given the lower operating netbacks from these gas wells, the net present value of future net revenue associated with these revisions is not significant.

The following presentation summarizes certain information contained in the Sproule Report, which was prepared in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) and the definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”). Sproule evaluated 100% of the Company’s reserves. The Sproule Report is based on forecast prices and costs and applies Sproule’s forecast escalated commodity price deck and foreign exchange rate and inflation rate assumptions as at December 31, 2018, as outlined in the table below entitled "Price Forecast". Estimated future net revenue is stated without any provisions for interest costs, other debt service charges or general and administrative expenses, and after the deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.

Additional information regarding the Company’s reserves data and other oil and gas information will be included in the Company's Annual Information Form for the year ended December 31, 2018 (the “AIF”), which will be filed under the Company's issuer profile on SEDAR at www.sedar.com on or before April 1, 2019.

See also the “Cautionary Statements” below for further explanations and discussions.

Summary of Corporate Reserves[1][2][5]

The following table is a summary of the Company's estimated reserves as at December 31, 2018, as evaluated in the Sproule Report.

Reserves Category	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Conventional Natural Gas[3] (other than Solution Gas) (MMcf)	Conventional Natural Gas (Solution Gas) (MMcf)	Natural Gas Liquids (Mbbl)	Barrels of Oil Equivalent[4] (Mboe)
Proved						
Developed Producing	6,924	313	9,208	11,025	338	10,946
Developed Non-producing	359	9	488	10	3	453
Undeveloped	7,803	124	0	15,953	374	10,960
Total Proved	**15,085**	**446**	**9,696**	**26,988**	**714**	**22,360**
Probable	7,413	552	3,234	15,806	365	11,504
Total Proved plus Probable	**22,498**	**998**	**12,930**	**42,795**	**1,080**	**33,863**

Notes:

(1) Reserves are presented on a "company gross" basis, which is defined as Prairie Provident's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.
(2) Based on Sproule's December 31, 2018 forecast prices and costs. The forecast of commodity prices used in the Sproule Report can be found at www.sproule.com. See also "Price Forecast" below.
(3) Including both non-associated gas and associated gas but excluding solution gas (gas dissolved in crude oil).
(4) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements – Barrels of oil equivalent" below.
(5) Columns may not add due to rounding of individual items.

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) [1][2][3][4][5]

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with Prairie Provident's reserves as at December 31, 2018, discounted at the indicated percentage rates per year, as evaluated in the Sproule Report.

Reserves Category	0% (MM$)	5% (MM$)	10% (MM$)	15% (MM$)	20% (MM$)
Proved					
Developed Producing	231.0	199.7	174.8	155.6	140.4
Developed Non-Producing	14.2	11.3	9.3	7.9	6.8
Undeveloped	232.6	164.7	117.3	83.9	60.0
Total Proved	**477.8**	**375.6**	**301.4**	**247.4**	**207.2**
Probable	348.5	253.8	193.6	153.5	125.4
Total Proved plus Probable	**826.3**	**629.4**	**495.0**	**400.8**	**332.6**

Notes:

(1) Based on Sproule's December 31, 2018 forecast prices and costs. The forecast of commodity prices used in the Sproule Report can be found at www.sproule.com. See also "Price Forecast" below.
(2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.
(3) Estimated future net revenue, whether discounted or not, does not represent fair market value.
(4) Net present values of future net revenue after income taxes are estimated to approximate the before income tax values based on the estimated future revenues, available tax pools and future deductible expenses.
(5) Columns may not add due to rounding of individual items.

Price Forecast[1]

The following table summarizes Sproule's commodity price forecast and foreign exchange rate and inflation rate assumptions as at December 31, 2018, as applied in the Sproule Report, for the next five years.

Year	Exchange Rate $US/$C	WTI @ Cushing (US$/bbl)	Canadian Light Sweet 40º API (C$/bbl)	Western Canada Select 20.5º API (C$/bbl)	Edmonton Butane (C$/bbl)	Natural gas AECO-C spot (C$/MMbtu)
2019	0.77	63.00	75.27	59.47	40.91	1.95
2020	0.80	67.00	77.89	62.31	50.25	2.44
2022	0.80	70.00	82.25	67.45	56.88	3.00
2022	0.80	71.40	84.79	69.53	58.01	3.21
2023	0.80	72.83	87.39	71.66	59.17	3.30

Note:

(1) Inflation is accounted for at 2.0% per year.

Reconciliation of Company Gross Reserves Based on Forecast Prices and Costs[2][3]

	Mboe		
FACTORS	**Proved**	**Probable**	**Proved plus Probable**
December 31, 2017	14,350	6,327	20,678
Acquisitions	10,977	5,565	16,542
Dispositions	(84)	(35)	(118)
Drilling (Extensions and Improved Recovery[1])	1,445	741	2,187
Discoveries	212	65	277
Technical Revisions	(2,396)	(1,124)	(3,520)
Pricing (Economic Factors)	(172)	(37)	(208)
Production	(1,974)	0	(1,974)
December 31, 2018	**22,360**	**11,504**	**33,863**

Notes:

(1) Reserves additions under Infill Drilling, Improved Recovery and Extensions are combined and reported as "Extensions and Improved Recovery".

(2) Columns may not add due to rounding.

(3) Company Gross Reserves exclude royalty volumes.

Future Development Costs (“FDC”)

The following table provides a summary of the estimated FDC required to bring Prairie Provident’s 1P and 2P undeveloped reserves to production, as reflected in the Sproule Report, which costs have been deducted in Sproule’s estimation of future net revenue associated with such reserves.

Future Development Costs (MM$)[1]	Total Proved	Total Proved plus Probable
2019	46.9	47.8
2020	81.6	111.5
2021	29.3	62.9
2022	38.3	46.5
Remainder	0.06	0.1
Total FDC undiscounted	**196.2**	**268.8**
Total FDC discounted at 10%	166.3	225.5

Note:

(1) FDC as per Sproule Report, based on Sproule's December 31, 2018 forecast prices and costs.

Capital Efficiencies[2][4]

In 2018, PPR executed a successful drilling program focused predominantly on oil targets. This was supplemented by key acquisitions that provided incremental growth opportunities.

During 2018, PPR's 1P and 2P FD&A costs were $16.51/boe and $12.54/boe, respectively, including change in FDC. The following table sets out our calculation of FD&A costs. See also "Cautionary Statements - Finding, Development and Acquisition costs" below.

Finding, Development & Acquisition Costs (2018)	Total Proved	Total Proved plus Probable
Exploration, development and acquisition capital[1] (MM$)	72.5	72.5
Change in FDC[3] (MM$)	92.3	117.6
Total FD&A costs, including change in FDC (MM$)	164.8	190.1
Total reserves additions, including revisions (Mboe)	9,983.3	15,159.6
FD&A costs, including change in FDC ($/boe)	**16.51**	**12.54**

Notes:

(1) Exploration and development capital (unaudited) related to: land acquisition and retention; drilling; completions; tangible well site; tie-ins; and facilities. Acquisition costs are net of any proceeds from dispositions of properties. Included in the 2018 acquisition costs is approximately $48.2 million of purchase price (unaudited) for Marquee. The Marquee purchase price was the aggregate of the fair value of PPR's common shares that were exchanged for Marquee common shares, Marquee's long-term debt assumed by PPR and Marquee's working capital as of the closing date of the acquisition.

(2) Due to the timing of capital costs and the subjectivity in the estimation of future costs, the aggregate of the exploration, development and acquisition costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to the reserves additions that year.

(3) FDC as per Sproule Report, based on Sproule's December 31, 2018 forecast prices and costs.

(4) Columns may not add due to rounding.

Net Asset Value

The following table sets out a calculation of NAV based on the estimated before-tax estimated net present value of future net revenue (discounted at 10%) ("NPV10 BT") associated with our PDP, 1P and 2P reserves, as evaluated in the Sproule Report, our estimated long-term debt, and the number of PPR common shares outstanding, all as of December 31, 2018. See also "Cautionary Statements – Net Asset Value" below.

	PDP	**1P**	**2P**
NPV10 BT (MM$)	174.8	301.4	495.0
Estimated long-term debt, less cash collateralized letters of credit (unaudited) (MM$)	101.5	101.5	101.5
Net Asset Value (MM$)	73.3	200.0	393.6
Basic shares outstanding (MM)	171.9	171.9	171.9
Estimated NAV/share ($)	**0.43**	**1.16**	**2.29**

OPERATIONAL UPDATE

The Company's full-year 2018 production volumes of 5,372 boe/d were at the midpoint of our guidance of 5,200 to 5,600 boe/d. Extremely wide oil differentials and weak realized oil prices in Q4/18 that impacted the entire western Canadian oil and gas industry led PPR to defer some activities into Q1/19. As a result, Q4/18 production volumes averaged 5,937 boe/d, lower than previously anticipated, although our full year production remained within guidance. The Company is currently producing approximately

6,300 to 6,400 boe/d, which is expected to increase to approximately 7,000 boe/d as PPR undertakes continued production optimization, and completion and tie-in of the two Slave Point wells at Evi through Q1/19.

As a result of the activity and capital program completed during 2018, Prairie Provident is well positioned for further success in 2019 with predictable funds flow from our low-decline oil assets and an attractive inventory of drilling locations. Our three core areas of Michichi/Wayne, Princess and Evi all offer light/medium oil exposure and focused, lower-risk capital allocation opportunities, and we benefit from a relatively low base decline rate of approximately 18%. With over 90% of our production operated and an average working interest exceeding 98% in our three core areas, PPR maintains control over the timing and pace of our development, enabling the Company to optimally allocate capital in order to maximize value for shareholders.

Given the widening of Canadian / US oil differentials and weaker commodity prices in Q4/18, we have elected to finalize our 2019 capital budget and operational guidance in late February, as we anticipate having greater clarity at that time on the outlook for the balance of the year. Despite the recent challenging environment for our industry, our lenders remain supportive of the industry and PPR specifically as we continue to execute our corporate strategy.

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 the Michichi/Wayne and Princess areas in Southern Alberta targeting the Banff, the Ellerslie and the Lithic Glauconite formations, along with an early-stage waterflood project at our Evi area 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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Cautionary Statements

Unaudited financial information

Certain financial and operating information included in this news release for the quarter and year ended December 31, 2018, including finding, development and acquisition costs, are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under "Forward-looking information" set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2018 and changes could be material.

Disclosure of Oil and Gas Reserves Data and Operational Information

Prairie Provident's Statement of Reserves Data and Other Oil and Gas Information for the year ended December 31, 2018, providing additional information regarding our reserves data and oil and gas activities in accordance with NI 51-101, will be contained in our Annual Information Form for the year ended December 31, 2018, which will be filed under the Company's issuer profile on SEDAR at www.sedar.com on or before April 1, 2019. The reserves data estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered or that the related estimates of future net revenues will be realized. There can be no assurance that the forecast prices and cost assumptions applied by Sproule in evaluating the Company's reserves will be attained, and variances between actual and forecast prices and costs could be material. Actual reserves may be greater than or less than the estimated volumes provided herein, and it should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. Estimates in respect of individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading "Forward-looking information".

This news release discloses certain metrics commonly used in the oil and natural gas industry – namely ""finding, development and acquisition costs", "net asset value" and "reserve life index" – that do not have standardized meanings or methods of calculation under applicable laws, International Financial Reporting Standards, the COGE Handbook or other applicable professional standards. Accordingly, such measures, as determined by the Company, may not be comparable to similarly defined or labelled measures presented by other companies, and therefore should not be used to make such comparisons. These metrics have been included herein to provide readers with additional information to evaluate the Company's performance, but should not be relied upon for comparative purposes. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Prairie Provident's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

Finding, Development and Acquisition costs ("FD&A costs")

The Company calculates FD&A costs by dividing the sum of exploration and development capital and all acquisition costs (net of disposition proceeds) for the period, plus the change in estimated FDC required to bring the reserves within the specified reserves category on production, by the change in reserves relating to discoveries, infill drilling, improved recovery, extensions and technical revisions inclusive of changes due to acquisitions and dispositions for the same period. FD&A costs have been presented in this news release because acquisitions and dispositions can have a significant impact on Prairie Provident's ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of its cost structure. Management uses FD&A as measure of its ability to execute its capital programs (and success in doing so) and of its asset quality.

Net Asset Value ("NAV")

The Company calculates NAV by subtracting its long-term debt balance from the net present values of estimated future net revenues (before income taxes and discounted at 10% per year) associated with its reserves, as evaluated in the Sproule Report. Management uses NAV as a measure of the Company's oil and gas asset value attributable to its shareholders.

Reserve Life Index ("RLI")

The Company calculates RLI based on the amount for the relevant reserves category prepared by Sproule, divided by current production.

Forward-looking information

This news release contains certain statements ("forward-looking statements") that forward-looking information within the meaning of applicable 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 are forward-looking statements. Forward-looking statements are typically, but not always, identified by words such as "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plan", "intend", "budget", "potential", "target" and similar words or expressions suggesting future outcomes or events or statements regarding an outlook.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to: estimated volumes of Prairie Provident's oil and gas reserves and their categorization; estimated net present values of future net revenue associated with evaluated reserves; future growth (including expected production increase to approximately 7,000 boe/d); potential opportunity for expanded drilling; Evi-area development through waterflood expansion; the volume and product mix of Prairie Provident's oil and gas production; future oil and natural gas prices; future results from operations and operating metrics, potential for lower costs and efficiencies going forward; future development, exploration, acquisition and disposition activities (including drilling, completion and infrastructure plans and associated timing and costs); and related production expectations.

Forward-looking statements are based on a number of material factors, expectations or assumptions of Prairie Provident which have been used to develop such but which may prove to be incorrect. Although Prairie Provident believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because Prairie Provident can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that Prairie Provident will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities consistent with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserve volumes; certain commodity price and other cost assumptions; continued availability of debt and equity financing and cash flow to fund Prairie Provident's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Prairie Provident operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Prairie Provident to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Prairie Provident has an interest in to operate the field in a safe, efficient and effective manner; the ability of Prairie Provident to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Prairie Provident to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Prairie Provident operates; and the ability of Prairie Provident to successfully market its oil and natural gas products.

The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statement, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Prairie Provident's products, the early stage of development of some of the evaluated areas and zones; the potential for variation in the quality of the lithic gluconate formation; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Prairie Provident or by third party operators of Prairie Provident's properties, increased debt levels or debt service requirements; inaccurate estimation of Prairie Provident's oil and gas reserve volumes; limited, unfavourable or a lack of access to capital markets; increased costs;

a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Prairie Provident's public disclosure documents, (including, without limitation, those risks identified in this news release and Prairie Provident's Annual Information Form).

The forward-looking 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 statements contained in this news release are expressly qualified by this cautionary statement.

Barrels of oil equivalent

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 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.