



Prairie Provident Provides an Update on Lending Facility

Calgary, Alberta – April 21, 2020 – Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX:PPR) announces that, in light of the pronounced uncertainties affecting the oil and gas industry, with the COVID-19 pandemic continuing to drive a significant falloff in global energy consumption and deeply depressed oil prices, the Company has engaged with its lenders to agree to interim measures for near-term objectives.

The Company suspended its capital program in response to the current economic environment and will restrict its capital spending to a small suite of maintenance and required decommissioning projects. Cash flows will be directed to ongoing operations, with a focus on maintaining economic production. For the last nine months of 2020, Prairie Provident has in place WTI hedges covering over 80% of its 2020 forecast base oil production (net of royalties) at an average floor price of US\$52.25/bbl.

After payment of all operating, G&A and other costs of conducting our business, the Company has agreed to direct excess funds to repayment of borrowings on our senior secured revolving note facility ("Revolving Facility") and to not make any requests for further advances under that facility. Prairie Provident has also agreed to a 200 bps margin increase on outstanding advances, bringing the total margin on the secured debt to 700 bps.

Moreover, the holders of our outstanding USD\$28,500,000 original principal amount of 15% subordinated unsecured notes due October 31, 2021, on which a portion of quarterly interest payments are currently paid in cash with the balance paid-in-kind and added to principal, have agreed to payment-in-kind of all interest for the next payment date of April 30, 2020 and thereafter.

The Company continues to actively explore opportunities to reduce debt, G&A expenses and operating costs, with salary and compensation reductions implemented earlier this month and other cost cutting measures under investigation. Management is focused on operating efficiencies and balance sheet improvements in response to industry circumstances and their uncertain duration, and in consultation with our lenders and other key stakeholders.

A lender redetermination of the Revolving Facility borrowing base, originally scheduled for March 31, 2020, has been temporarily deferred. The lenders are, however, entitled to proceed with a redetermination at their discretion. The Company is currently drawn approximately USD \$57.0 million (based on an exchange rate of USD \$1.00 to CAD \$1.39) against the USD \$60 million borrowing base confirmed on the last October 2019 redetermination.

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 and Princess areas in Southern Alberta targeting the Banff, the Ellerslie and the Lithic Glauconite

formations, along with an established and proven 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.

For further information, please contact:

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FORWARD-LOOKING INFORMATION

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.

In particular, this news release contains forward-looking statements pertaining to capital spending restrictions, cash flow allocation, and debt repayment in future periods. Such statements reflect material factors and expectations and assumptions of Prairie Provident regarding, among other things: its ability to generate positive cash flow despite the current commodity price environment and excess supply conditions; continued performance from existing wells, including production profile, decline rate and product mix; and achievement and maintenance of operating cost improvements.

Prairie Provident believes that the material factors, expectations and assumptions reflected in the forward-looking statements contained herein and upon which they are based are reasonable in the circumstances based on currently available information, but undue reliance should not be placed on such information. Forward-looking statements are not guarantees of future outcomes, and the Company can give no assurance that forward-looking statements will prove to be correct or that the factors, expectations and assumptions reflected therein or upon which they are based will occur or be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

The forward-looking statements contained in this news release are made as of the date hereof, and Prairie Provident undertakes and assumes no obligation to publicly update or revise any of them, whether as a result of new information, future events or circumstances, or otherwise, except only as required by applicable Canadian securities laws. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.