Prairie Provident Updates 2022 Capital Budget and Non-Core Disposition Process

Calgary, Alberta – June 12, 2022 - Prairie Provident Resources Inc. ("Prairie Provident", "PPR" or the "Company") is pleased to announce an update to its 2022 capital budget and non-core disposition process.

MESSAGE TO SHAREHOLDERS

Tony Berthelet, President & Chief Executive Officer, commented: "Given significantly higher oil and natural gas prices, PPR has chosen to pivot our second half 2022 capital program toward non-core reactivations, recompletions and optimization projects to maximize shareholder value. In addition, we expect to drill a Glauconite formation well at Princess as previously announced. The anticipated benefits of this change in scope include improved reserve additions, incremental unhedged revenue, low risk capital execution, and an improved corporate liability rating. This capital program pivot highlights the great work the team has done to identify the low risk, quick payout, value added opportunities in PPR's non-core asset base. We look forward to sharing the results of this program in the coming quarters."

NON-CORE PROPERTY DISPOSITION PROCESS

On February 22 2022, PPR announced the plan to market its Central Alberta assets in the producing properties of Wheatland, Craigmyle East, Drumheller, Willdunn, Provost, Hayter and Coutts. After an extensive internal evaluation of properties and a robust sales process, management has elected to redirect capital from the previously announced drilling program to reactivations, recompletions and optimization identified in non-core areas that is expected to provide incremental cashflow and reduce associated liability ratings.

2022 UPDATE HIGHLIGHTS

- Fully funded capital budget remains unchanged at $23.0 to $23.5 million (including capitalized general and administrative expenses and asset retirement obligations ("ARO")) incorporating increased ARO activity and inflation across services.
- Based on the updated capital budget we maintain our previous production guidance of between 4,350 – 4,600 boe per day and anticipate a reduction in net debt[1] of $5.0 – $10.0 million at year end.
- Operating costs are now expected to be approximately $25.00 - $26.00/boe versus the previously announced $20.50 - $22.50/boe, driven by inflationary field cost pressures.
- Finding and development costs from the reactivations, recompletions and optimizations are expected to be $3.15/boe on spending of $2.0 million.
- As previously announced, we have reactivated one of the wells in our Coutts field bringing on 60 bbl/d of oil initial production and stabilized rates of approximately 18 bbl/d compared to a 5 boe/d budgeted production add. In addition, the Loyalist field is currently producing approximately 13 bbl/d

of oil with two of the six reactivations producing above expectations. The Loyalist field is budgeted to stabilize at 40 bbl/d as we complete this program. These two optimization examples demonstrate the opportunities within the non-core portfolio.

- The (2.0 net) Banff formation wells drilled at Michichi in Q1 continue to provide strong results with average IP90 rates of 147[2,5]boe/d and 115[3,5]boe/d, respectively. We remain encouraged by the strong reservoir pressure after 90 days of production and will continue to expand our waterflood development as part of our second half capital program and will look to continue development drilling activities in 2023.
- The Company plans to drill a Glauconite well at Princess in the third quarter, building off our recent success at the 103/03-29-018-10W4 well drilled in late 2021. Current production of 103/03-29-018-10W4 well is approximately 440[4,5] boe/d.

1 Net debt is a non-GAAP financial measure (see "Non-GAAP and Other Financial Measures" below), calculated by adding working capital (deficit) and borrowings outstanding under long-term debt.

2 Average initial production over a 90-day period commencing March 3, 2022, during which the well produced an average of 130 bbl/d of light & medium crude oil and 258 Mcf/d of conventional natural gas and 6 bbl/d of natural gas liquids from the Banff formation.

3 Average initial production over a 90-day period commencing March 3, 2022, during which the well produced an average of 115 bbl/d of light & medium crude oil and 272 Mcf/d of conventional natural gas and 5 bbl/d of natural gas liquids from the Banff formation.

4 Comprised of average production of approximately 103 bbl/d of light & medium crude oil and 290 Mcf/d of conventional natural gas

5 Readers are cautioned that short-term initial production rates are preliminary in nature and may not be indicative of stabilized on-stream production rates, future product types, long-term well or reservoir performance, or ultimate recovery. Actual future results will differ from those realized during an initial short-term production period, and the difference may be material.

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 optimize cash flow from our existing assets, grow a base waterflood business in Evi (Slave Point Formation) and Michichi (Banff Formation) providing stable low decline cash flow, and organically develop a new complementary play to facilitate reserves and production growth. The Princess area in Southern Alberta continues to provide short cycle returns through successful development of the Glauconite and Ellerslie Formations.

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READER ADVISORIES

Forward-looking Statements and Future Oriented Financial Information

This news release contains certain statements ("forward-looking statements") that constitute forward-looking and future oriented financial 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, and are subject to risks and uncertainties that may cause actual results or events to differ materially from those indicated or suggested therein. 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", "aim", "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: (i) budgeted capital expenditure amounts for 2022 including drilling, completion, reactivation, recompletion and optimization plans; (ii) forecast 2022 net debt (see also "Non-GAAP Financial Measures" below); (iii) forecasted 2022 operating expenses; (iv) expected finding and development costs from the reactivations, recompletions and optimizations; (v) anticipated ARO spending for 2022; (vi) future oil and gas production, including expected average 2022 production volumes; (vii) the anticipated drilling of a single Glauconite well at Princess; (viii) the expectation that redirecting capital from the previously announced drilling program to reactivation, recompletion and optimization identified in non-core areas will result in incremental cashflow and reduce associated liability ratings (ix) the expectation that anticipated benefits of the change in scope include improved reserve additions, incremental unhedged revenue, and an improved corporate liability rating (x) the budgeted level out at 40 bbl/d in the Lyalist field; (xi) the expectation that strong reservoir pressure will continue to expand the Company's waterflood development.

Forward-looking statements and future oriented financial information are based on a number of material factors, expectations or assumptions of Prairie Provident which have been used to develop such statements but which may prove to be incorrect. Although the Company believes that the expectations and assumptions reflected in such forward-looking statements and such future oriented financial information are reasonable, undue reliance should not be placed on forward-looking statements or future oriented financial information, which are inherently uncertain and depend upon the accuracy of such expectations and assumptions. 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. Actual results or events will differ, and the differences may be material and adverse to the Company. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: future commodity prices and currency exchange rates, including consistency of future prices with current price forecasts; the economic impacts of the COVID-19 pandemic; results from drilling and development activities, and their consistency with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells, including production profile, decline rate and product type mix; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserves volumes; operating and other costs, including the ability to achieve and maintain cost improvements; continued availability of external financing and cash flow to fund Prairie Provident's current and future plans and expenditures, with external financing on acceptable terms; the impact of 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; 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; the 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.*

Forward-looking statements are not guarantees of future performance or promises of future outcomes, and should not be relied upon. Such statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and such future oriented financial information including, without limitation: changes in realized 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 geologic formations targeted by Prairie Provident's operations; 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; increased debt levels or debt service requirements; inaccurate estimation of Prairie Provident's oil and gas reserves volumes; limited, unfavourable or no access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as are 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 current 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.

The future oriented financial information contained in this news release, including: (i) the anticipated capital budget at $23.0 to $23.5 million (ii) the expected operating costs of approximately $25.00 - $26.00/boe; (iii) the anticipated projection guidance of between 4,350 – 4,6000 boe/d (iv) the anticipated reduction in net debt (see also "Non-GAAP Financial Measures" below) of $5.0 - $10.0 million by year end; (v) expected financing and development costs expected to be $3.15/boe on spending $2.00 million; was approved by management as of the date hereof and is based on certain assumptions indicated above that management believes are reasonable in the circumstances.

The purpose of the future oriented financial information contained herein is to update and provide information relating to the capital budget, operating costs, and finding and development costs incurred by the Company and readers are cautioned that such information may not be appropriate for other purposes.

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.

Non-GAAP financial measures

This news release discloses certain financial measures, that are 'non-GAAP financial measures' within the meaning of applicable Canadian securities laws. Such measures do not have a standardized or prescribed meaning under International Financial Reporting Standards (IFRS) and, accordingly, may not be comparable to similar financial measures disclosed by other issuers. Non-GAAP financial 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. Readers must not consider non-GAAP financial measures in isolation or as a substitute for *analysis of the Company's financial results as reported under IFRS. Further information regarding non-GAAP measures disclosed by the Company from time-to-time is also provided in the Company's annual and interim MD&A for the relevant periods. Set forth below is a description of the non-GAAP financial measures used in this press release.*

Net Debt – Net debt is a non-GAAP financial measure commonly used in the oil and gas industry, which the Company believes is a useful measure to assist management and investors to evaluate liquidity. Net debt included in this news release is determined as working capital (deficit) and borrowings outstanding under long-term debt.

The following table provides a reconciliation of Net Debt:

	Three Months Ended March 31,	
($000s)	**2022**	2021
Total current assets	**22,444**	19,603
Accounts payable and accrued liabilities	**(24,881)**	(19,970)
Working capital	**(2,437)**	(367)
Borrowings outstanding (principal plus deferred interest)	**(125,685)**	(123,972)
Net debt	**(128,122)**	(124,339)

Neither the Exchange nor its Regulation Service Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release.