Prairie Provident Resources Announces Amendments to Recapitalization Transactions that Significantly Enhance Value to Shareholders

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Calgary, Alberta – April 11, 2023 – Prairie Provident Resources Inc. (TSX: PPR) ("Prairie Provident" or the "Company") announces amendments to the terms of the equity financing and debt settlement components of its previously announced recapitalization transactions (collectively, the "Recapitalization").

Pursuant to the amended terms, the Company's brokered private placement equity offering (the "Equity Financing") of units ("Units") on a commercially reasonable efforts basis, for gross proceeds of C$4,000,000, will be conducted at an amended issue price of C$0.09 per Unit, with each Unit now comprised of one common share of Prairie Provident ("Common Share") and one whole Common Share purchase warrant ("Warrant") exercisable at an amended exercise price of C$0.10 per share. The Warrant term is unchanged at 60 months from closing. The Equity Financing is being led by Research Capital Corporation, as the sole agent and sole bookrunner (the "Agent").

The Company has also agreed with PCEP Canadian Holdco, LLC (the "Noteholder"), as holder of all the Company's outstanding subordinated notes (the "Subordinated Notes"), to amend the price per share at which Common Shares are proposed to be issued in repayment of all outstanding indebtedness under the Subordinated Notes (approximately US$52.8 million) (the "Subordinated Notes Conversion"), to an agreed repayment price of C$0.14 per share (representing a 56% premium to the amended Unit offering price, and a 33% increase to the previously agreed repayment price) based on the new Unit offering price and Warrant exercise price. The Noteholder is indirectly controlled by the investment management arm of one of the world's largest financial institutions, which has over US$1 trillion in assets under management.

In addition to reduced pricing and an additional half Warrant per Unit for subscribers to the Equity Financing, these amended terms offer existing shareholders and new equity investors a significantly increased stake in the Company, with existing shareholders and new equity investors retaining approximately 24% of the Company’s pro forma common shares, an increase of approximately 27% from the terms originally announced on March 29, 2023. See "Pro Forma Shareholding Information" below.

The offering price under the Equity Financing is positioned as an attractive opportunity for equity investors. Based on its year-end 2022 reserves data evaluation, the Company's estimated net present value of future net revenue from **proved plus probable (2P) reserves (NPV10%)**[(1)] **is C$588.8 million, or C$0.676 per share** on a pro forma fully diluted basis assuming completion of the Recapitalization, and its 2P reserve life index[(2)] is 20.1 years (based on estimated 2P reserves and current production levels). The Company has **approximately C$860 million in tax pools** (C$560 million of which are available as tax shelter against current income) to complement its reserves value. These tax pools represent significant potential value to the Company and its shareholders; if all of the pools were immediately deductible, they could shelter an equivalent amount of the Company's income, thus representing up to C$0.18 per share in value.

(1) Based on the Company's year-end 2022 independent reserves data evaluation by Sproule Associates Limited, independent qualified reserves evaluator, effective as of December 31, 2022 and based on forecast prices and costs at the effective date.

(2) Reserve life index (RLI) is an oil and gas metric calculated by dividing total company share reserves by annualized production. RLI provides a summary measure of the relative magnitude of the Company's reserves through an indication as to how long they would last based on a current, annualized production rate and assuming no additions to reserves.

Matthew Shyba and certain other officers and employees of the Company have advised the Company of their intention to participate in the Equity Financing alongside other investors, and have provided an indication of interests for the aggregate amount of approximately C$700,000 (17.5% of the offering size) under the Accredited Investor Exemption. Matthew Shyba is currently one of Prairie Provident's largest shareholders and a director of the Company since July 2022. The Company welcomes Mr. Shyba's continued support and his input into refocusing the business to enhance shareholder value, a key step of which is completing the Recapitalization.

At the amended offering price of C$0.09 per Unit, a total of 44,444,444 Units will be offered under the Equity Financing for gross proceeds of C$4,000,000. A portion of the total offering will be made in reliance on the 'listed issuer financing exemption' (LIFE) in Part 5A of National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106") (the "Listed Issuer Financing Exemption") to purchasers resident in Canada, except Québec, and/or other qualifying jurisdictions. The balance of the total offering will be made in reliance on the 'accredited investor' exemption under Section 2.3 of NI 45-106 (the "Accredited Investor Exemption") and other available exemptions from the prospectus requirements of applicable Canadian securities laws, to eligible purchasers resident in Canada and/or other qualifying jurisdictions.

Of the total Units offered under the Equity Financing, up to 31,111,111 Units (approximately C$2,800,000) are expected to be offered pursuant to the Listed Issuer Financing Exemption, and up to 13,333,333 Units (approximately C$1,200,000) are expected to be offered pursuant to the Accredited Investor Exemption and other available prospectus exemptions. Pricing and other terms will be identical under both exempt offerings.

Units sold pursuant to the Listed Issuer Financing Exemption (and any Common Shares issued on a future exercise of the Warrants included in such Units) will not be subject to any restricted hold period pursuant to applicable Canadian securities laws. Units sold pursuant to the Accredited Investor Exemption and other available prospectus exemptions (and any Common Shares issued on a future exercise of the Warrants included in such Units) will be subject to a restricted hold period of four months and one day from the date on which the Units are issued.

The closing of the Equity Financing is expected to occur on or about the week of April 26, 2023, or such later or earlier dates as the Agent and the Company may determine.

The Company will use commercially reasonable efforts to obtain the necessary approvals to list the Warrants on the Toronto Stock Exchange ("TSX") upon closing of the Equity Financing. Listing will be subject to the approval of the TSX in accordance with its original listing requirements.

Completion of the Equity Financing and the Subordinated Notes Conversion is subject to receipt of all necessary approvals of the TSX. In this regard, Prairie Provident has applied to the TSX for an exemption from shareholder approval requirements under TSX rules, pursuant to the 'financial hardship' provisions of the TSX Company Manual. See "TSX Approvals" below.

Completion of the Subordinated Notes Conversion also remains conditional upon completion of an offering of new equity for gross proceeds of at least C$4,000,000.

There is an amended and restated offering document dated April 11, 2023 related to the LIFE offering that can be accessed under the Company's issuer profile at www.sedar.com and on the Company's website at www.ppr.ca. Prospective investors under the LIFE offering should read this offering document before making an investment decision.

Further details regarding the Recapitalization are provided in the Company's news releases dated March 29, 2023 and March 31, 2023.

Pro Forma Shareholding Information

The following table sets forth information regarding the total pro forma holdings of Common Shares (undiluted) of the Noteholder, of subscribers under the Equity Financing, and of current Prairie Provident shareholders, after completion of the Recapitalization, based on the assumptions identified therein and in the notes to the table.

	Assuming Gross Proceeds of C$4,000,000 under Equity Financing (1)
Noteholder per Subordinated Notes Conversion (2)	71.8% (514 million Common Shares)
Noteholder per cashless exercise of 34,292,360 outstanding warrants currently held (the "Warrant Exercise") (3)	3.8% (27 million Common Shares)
Noteholder Subtotal	75.6% (541 million Common Shares)

	Assuming Gross Proceeds of C$4,000,000 under Equity Financing (1)
Subscribers under Equity Financing	6.2% (1) (44 million Common Shares)
TOTAL NEW SHARES (Subordinated Notes Conversion plus Warrant Exercise plus Equity Financing)	81.8% (4) (586 million Common Shares)
EXISTING SHAREHOLDERS	18.2% (130 million Common Shares)

Figures may not add due to rounding.

Notes:

(1) Assumes the issuance of 44 million Units at a price of C$0.09 per Unit (being substantially the same as the market price of the Common Shares on the TSX at market close on April 10, 2023 of C$0.0899 per share) for total gross proceeds of C$4.0 million.

(2) Assumes (i) a repayment price of C$0.14 per share, (ii) a completion date of April 1, 2023, at which time the outstanding balance owed under the Subordinated Notes will be US$52.8 million and (iii) a USD-to-CAD exchange rate of 1.3626.

(3) Assumes a market price of the Common Shares on the TSX of C$0.0899 per share at the date of completion, which would result in an 'in-the-money' amount of C$0.0707 per warrant held by the Noteholder based on the exercise price of C$0.0192 per share, with the total number of Common Shares issuable pursuant to the Warrant Exercise being such number of Common Shares as have a value, based on such market price, equal to the aggregate in-the-money value of all such warrants.

(4) Represents an increase of 586 million or approximately 550% in the number of Common Shares outstanding, from 130 million Common Shares outstanding today to 716 million outstanding after completion of the Subordinated Notes Conversion, Warrant Exercise and Equity Financing based on the assumptions described above.

TSX Approvals

Completion of the Equity Financing and the Subordinated Notes Conversion is subject to receipt of all necessary approvals of the TSX. In this regard, Prairie Provident has applied to the TSX for an exemption from shareholder approval requirements under TSX rules, pursuant to the 'financial hardship' provisions of the TSX Company Manual. For further information, please refer to the Company's news release dated March 29, 2023.

Pursuant to TSX rules, the Recapitalization (on the amended terms described in this news release) would ordinarily require approval of the Company's disinterested shareholders:

- under section 604(a)(i) of the TSX Company Manual, on the basis that the Noteholder will, after giving effect to the Subordinated Notes Conversion and related Warrant Exercise as well as the Equity Financing, hold more than 20% of the outstanding Common Shares and the Recapitalization will therefore be considered by TSX to materially affect control of Prairie Provident;

- under section 604(a)(ii) of the TSX Company Manual, on the basis that (i) the Noteholder is, by reason of holding warrants pursuant to which it has the right to acquire more than 10% of the outstanding Common Shares, an insider of Prairie Provident, and (ii) the Common Shares issuable to the Noteholder on the Subordinated Notes Conversion and Warrant Exercise, together with the total interest plus deferred compensation fee payable to certain affiliates of the Noteholder over the term of the US$3.64 million principal amount of second lien notes due December 2024 issued and sold to such affiliates on March 31, 2023 as part of the Recapitalization, will provide the Noteholder and such affiliates with more than 10% of the Company's market capitalization;

- under section 607(g)(i) of the TSX Company Manual, on the basis that (i) the offering price under the Equity Financing (C$0.09 per Unit) is deemed under TSX rules to be less than the market price of the Common Shares because of the included Warrant, and (ii) the number of new Common Shares issuable pursuant to the Equity Financing (being at least 44.4 million Common Shares forming part of the number of Units issuable to raise gross proceeds of not less than C$4,000,000 plus a further 44.4 million Common Shares potentially issuable on future exercise of the Warrants forming part of such Units) will be greater than 25% of the number of Common Shares currently issued and outstanding on an undiluted basis (130,116,666);

- under section 607(g)(ii) of the TSX Company Manual, on the basis that (i) the Noteholder is, by reason of holding warrants pursuant to which it has the right to acquire more than 10% of the outstanding Common Shares, an insider of Prairie Provident, and (ii) the total number of Common Shares issuable to the Noteholder on the Subordinated Notes Conversion and Warrant Exercise, whether alone or taken together with any number of Common Shares (including Common Shares issuable under the Warrants) that any director or officer of the Company may acquire under the Equity Financing, is greater than 10% of the number of Common Shares currently outstanding (it being noted, however, that no director or officer that acquires Common Shares, including Common Shares issuable under the Warrants, will individually acquire more than 10% of the outstanding Common Shares);

- under section 607(g)(ii) of the TSX Company Manual, on the basis that Matthew Shyba, a current director of Prairie Provident who has provided an indication of interest for a lead order of C$600,000 under the Equity Financing might, and any other director or officer of the Company that participates in the Equity Financing (with up to an additional C$100,000 to C$200,000 of participation by other directors or officers contemplated) might, depending on overall market demand, acquire under the Equity Financing such number of Common Shares (including Common Shares issuable under the warrants) as exceeds 10% of the number of Common Shares currently outstanding;

- under section 607(e) of the TSX Company Manual, on the basis that the 'Adjustment Right' described in the March 29, 2023 news release[1] constitutes an adjustment for which not all shareholders are compensated, and may result in securities being issued at a price lower than market price less the permissible discount under TSX rules; and

- on the basis that the compensation payable to Agent for its services in respect of the Equity Financing is higher than general TSX guidelines; and

- on the basis that (i) the amended offering price under the Equity Financing of C$0.09 per Unit was determined prior to public disclosure of the amended repayment price for the Subordinated Note Conversion of C$0.14 per share, (ii) TSX would ordinarily in such circumstances restrict insider participation to maintenance of their pro rata holding, unless otherwise approved by shareholders, and (iii) participation by the Noteholder (who is, as a result of holding warrants, an insider of the Company) in the Recapitalization will, and participation by any director or officer in the Equity Financing may, result in such parties increasing their pro rata holdings of Common Shares.

The TSX is considering the 'financial hardship' application in connection with its review of the Company's request for TSX approval of the applicable Recapitalization transactions. There is no certainty that the TSX will approve such transactions, or accept the Company's application to rely on the financial hardship exemption.

A special committee of independent and disinterested directors (the "Independent Committee") has considered the terms of the Recapitalization transactions and, in the circumstances, recommended that the 'financial hardship' application be made to the TSX. The Independent Committee determined, and the Board of Directors unanimously agreed, that Prairie Provident is in serious financial difficulty, and that the Recapitalization (including, in particular, the Subordinated Notes Conversion and Equity Financing) is reasonable in the circumstances and designed to improve the Company's financial situation.

Prairie Provident expects that, as a consequence of its 'financial hardship' exemption application, the TSX will place the Company under a remedial delisting review, which is normal practice when a listed issuer seeks to rely on this exemption. Although the Company believes that it will be in compliance

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[1] As more particularly described in Prairie Provident's news release of March 29, 2023, the Company has agreed to enter into an Investor Rights Agreement and a Registration Rights Agreement with the Noteholder and certain of its affiliates (the "Holders" for the purposes of the following) in connection with completion of the Subordinated Notes Conversion. Pursuant to the Investor Rights Agreement, among other things, the Holders will, with respect to the Common Shares issued on the Subordinated Notes Conversion, receive an anti-dilution adjustment right (the "Adjustment Right") entitling the Holders to receive, for no additional consideration and subject to certain exceptions, in the event of Prairie Provident issuing, within 6 months after completion of the Subordinated Notes Conversion, Common Shares a price (or securities convertible or exercisable into Common Shares at a conversion or exercise price) that is less than the C$0.14 repayment price per share at which the Subordinated Notes Conversion is completed, such number of additional Common Shares as (i) reduces the effective price per share of the Common Shares issued on the Subordinated Notes Conversion, when taken together with such additional Common Shares issued for no additional consideration, to such lower price, or (ii) maintains the Holders' voting interest, whichever number is the lesser.

with all continued listing requirements of the TSX upon conclusion of a delisting review, no assurance can be provided as to the outcome of that review and, therefore, on Prairie Provident's continued qualification for listing on the TSX.

ABOUT PRAIRIE PROVIDENT

Prairie Provident is a Calgary-based company engaged in the exploration, development and production of its low decline, long life oil reserves in Alberta. The Company is currently producing oil and gas in western Canada with significant growth opportunities from a deep inventory of low-risk horizontal drilling locations and waterflood potential.

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CAUTIONARY STATEMENTS:

Forward-Looking Statements

This news release contains forward-looking statements regarding the Equity Financing and other Recapitalization transactions, and the completion and anticipated timing of the same. These forward-looking statements are provided as of the date of this news release, or the effective date of the documents referred to in this news release, as applicable, and reflect predictions, expectations or beliefs regarding future events based on the Company's beliefs at the time the statements were made, as well as various assumptions made by and information currently available to Prairie Provident. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including, but not limited to, the timely receipt of TSX approvals in respect of the applicable Recapitalization transactions; that all conditions precedent to the completion of the Recapitalization will be completed in a timely manner; and that general economic conditions and commodity price conditions will not change in a materially adverse manner. Although management considers these assumptions to be reasonable based on information available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions on which they are based do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the expectations expressed in them. These risk factors may be generally stated as the risk that the assumptions expressed above do not occur, but specifically include, without limitation, risks relating to: general market conditions; the Company's ability to secure financing on favourable terms; the failure to receive all applicable third party and regulatory approvals for the Recapitalization transactions, and the additional risks described in the Company's latest Annual Information Form, and other disclosure documents filed by the Company on SEDAR. The foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.