



Prairie Provident Resources Announces First Quarter 2023 Financial and Operating Results

Calgary, Alberta – May 15, 2023 – Prairie Provident Resources Inc. ("Prairie Provident", "PPR" or the "Company") announces our operating and financial results for the first quarter ended March 31, 2023. PPR's interim financial statements and related Management's Discussion and Analysis (MD&A) are available on our website at www.ppr.ca and filed on SEDAR at www.sedar.com.

MESSAGE TO SHAREHOLDERS

Patrick McDonald, Interim President and CEO commented: "The operations team has done an excellent job of maintaining production levels through the first quarter of 2023 while deploying minimal capital. The Company continues to pursue non-core asset sales and other transactions to further increase liquidity and allow the Company to carry out a meaningful low risk, low cost capital program over the remainder of 2023 and into 2024. We look forward to providing further updates in the near term."

FIRST QUARTER 2023 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Production averaged 3,733 boe/d (63% liquids) for the first quarter of 2023, consistent with the fourth quarter of 2022 (3,753 boe/d), in spite of capital constraints. The Company anticipates that the recapitalization will provide additional liquidity that will allow the Company to increase well reactivations and production and facility optimizations.
- First quarter 2023 operating netback¹ before the impact of derivatives was \$4.5 million (\$13.46/boe), and \$3.9 million (\$11.69/boe) after realized losses on derivatives, a \$2.0 million and \$1.7 million decrease from the fourth quarter of 2022, respectively.
- Operating expenses for the first quarter of 2023 decreased by \$0.92 per boe of production from the fourth quarter of 2022 principally due to capital discipline. The restoration of production as a result of the implementation of renewed well servicing and production optimization activities along with reduced cost of electricity is expected to improve operating netbacks during the balance of 2023.
- Net capital expenditures¹ for the first quarter of 2023 of \$0.1 million were largely directed towards critical operations in Evi, Princess and Michichi.

¹ Operating netback and net capital expenditures are non-GAAP financial measures and are defined below under "Non-GAAP and Other Financial Measures".

FINANCIAL AND OPERATING SUMMARY

<i>(\$000s except per unit amounts)</i>	Three Months Ended	
	March 31, 2023	December, 2022
Production Volumes		
Light & medium crude oil (bbl/d)	1,738	1,715
Heavy crude oil (bbl/d)	532	588
Conventional natural gas (Mcf/d)	8,810	8,014
Natural gas liquids (bbl/d)	100	114
Total (boe/d)	3,733	3,753
% Liquids	63%	64%
Average Realized Prices		
Light & medium crude oil (\$/bbl)	87.29	95.32
Heavy crude oil (\$/bbl)	75.96	95.40
Conventional natural gas (\$/Mcf)	3.06	5.03
Natural gas liquids (\$/bbl)	62.44	69.60
Total (\$/boe)	59.84	71.37
Operating Netback (\$/boe) ¹		
Realized price	59.84	71.37
Royalties	(10.22)	(15.35)
Operating costs	(36.16)	(37.08)
Operating netback	13.46	18.94
Realized losses on derivative instruments	(1.77)	(12.47)
Operating netback, after realized losses on derivative instruments	11.69	6.47

Note:

- 1 Operating netback is a Non-GAAP financial measure (see "Non-GAAP and Other Financial Measures" below) calculated as oil and natural gas revenue less royalties less operating costs.

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, providing low risk development and stable low decline cash flow.

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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, 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 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: completion of the Recapitalization; near-term capital plans for a low-risk well optimization program; intended hedging activities; and post-Recapitalization liquidity and capital resources.

Forward-looking statements 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 are reasonable, undue reliance should not be placed on forward-looking statements, 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. In particular, the Company can give no assurance that the Equity Financing will be successfully completed, whether on the terms proposed or at all, and therefore whether the Recapitalization will be completed. 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: that the Company will be able to complete the Equity Financing and therefore the Recapitalization; that the Toronto Stock Exchange will approve the issue of common shares under the Recapitalization on terms acceptable to Prairie Provident; the results from reactivation projects, that Prairie Provident will continue to conduct its operations in a manner consistent with past operations; 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 with respect to 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; future commodity prices; future operating and other costs; future USD/ CAD exchange rates; future interest rates; 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.

The forward-looking statements included in this news release 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 including, without limitation: reduced access to external debt financing; higher interest costs or other restrictive terms of debt financing; 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 a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as may be 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 as filed with Canadian securities regulators and available from the SEDAR website (www.sedar.com) under Prairie Provident's issuer profile).

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.

Non-GAAP and Other Financial Measures

This news release discloses certain financial measures that are 'non-GAAP financial measures' or 'supplementary 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 and other 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 and other financial measures in isolation or as a substitute for analysis of the Company's financial results as reported under IFRS. For a reconciliation of each non-IFRS measure to its nearest IFRS measure, please refer to the "Non-GAAP and Other Financial Measures" section of the MD&A.

This news release also includes reference to certain metrics commonly used in the oil and gas industry but which do not have a standardized or prescribed meanings under the Canadian Oil and Gas Evaluation (COGE) Handbook or applicable law. Such metrics are similarly 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.

Following is additional information on non-GAAP and other financial measures and oil and gas metrics used in this news release.

Operating Netback – Operating netback 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 operating performance at the oil and gas lease level. Operating netbacks included in this news release were determined as oil and gas revenues less royalties less operating costs. Operating netback may be expressed in absolute dollar terms or a per unit basis. Per unit amounts are determined by dividing the absolute value by gross working interest production.

Operating netback after gains or losses on derivative instruments, adjusts the operating netback for only the realized portion of gains and losses on derivative instruments. Operating netback per boe and operating netback, after realized gains (losses) on derivatives per boe are non-GAAP financial ratios.

Net Debt – Net debt is defined as borrowings under long-term debt (including principal and deferred interest) plus working capital surplus or deficit. Net debt is a measure commonly used in the oil and gas industry for assessing the liquidity of a company.

Working Capital – Working capital is calculated as current assets excluding the current portion of derivative instruments, less accounts payable and accrued liabilities. This measure is used to assist management and investors in understanding liquidity at a specific point in time. The current portion of derivatives instruments is excluded as management intends to hold derivative contracts through to maturity rather than realizing the value at a point in time through liquidation. The current portion of decommissioning expenditures is excluded as these costs are discretionary and warrant liabilities are excluded as it is a non-monetary liability. The current portion of long-term debt is excluded as it is reflected in borrowings. Lease liabilities have historically been excluded as they were not recorded on the balance sheet until the adoption of IFRS 16 – Leases on January 1, 2019.

Net capital expenditures – Net capital expenditures 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 assess PPR's investment in its existing asset base. Net capital expenditures is calculated by taking total capital expenditures, which is the sum of property and equipment expenditures and exploration and evaluation expenditures from the Consolidated Statement of Cash Flows, plus capitalized stock-based compensation, plus acquisitions from business combinations, which is the outflow cash consideration paid to acquire oil and gas properties, less asset dispositions (net of acquisitions), which is the cash proceeds from the disposition of producing properties and undeveloped lands.

Reserve Life Index – 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.