



**ANNUAL INFORMATION FORM**

For the year ended December 31, 2025

March 31, 2026

## TABLE OF CONTENTS

<b>NOTES TO READER</b> .....	<b>1</b>
General 1	
Defined Terms .....	1
Barrel of Oil Equivalency Measures.....	2
Currency References .....	2
Abbreviations .....	2
Conversion Ratios .....	3
<b>RESERVES DATA DISCLOSURE</b> .....	<b>3</b>
<b>FORWARD-LOOKING STATEMENTS</b> .....	<b>5</b>
<b>COMPANY OVERVIEW AND BACKGROUND</b> .....	<b>8</b>
General 8	
Intercorporate Relationships.....	8
General Development of our Business .....	9
Business Plan and Strategy.....	13
Marketing and Delivery Commitments .....	13
Employees .....	13
Competition .....	14
Seasonality.....	14
<b>STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION</b> .....	<b>14</b>
Additional Information Relating to Reserves Data.....	21
Other Oil and Gas Information.....	23
<b>INDUSTRY CONDITIONS</b> .....	<b>28</b>
Pricing and Marketing in Canada .....	28
Oil and Gas Exports from Canada.....	29
Transportation Constraints, Pipeline Capacity and Market Access .....	30
International Trade Agreements.....	31
Land Tenure.....	32
Royalties and Incentives.....	33
Environmental Regulation.....	34
<b>CAPITAL STRUCTURE AND OUTSTANDING SECURITIES</b> .....	<b>38</b>
Share Capital .....	38
Dividends .....	38
Convertible Securities .....	38
Escrow 39	
Market for Securities .....	39
Price Range and Trading Volume .....	39
Prior Sales.....	40
<b>DIRECTORS AND OFFICERS</b> .....	<b>40</b>
<b>AUDIT COMMITTEE INFORMATION</b> .....	<b>41</b>
Audit Committee Composition.....	41
Pre-Approval Policies and Procedures .....	42
External Auditor Service Fees .....	42
<b>RISK FACTORS</b> .....	<b>43</b>
<b>LEGAL PROCEEDINGS</b> .....	<b>63</b>
<b>INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b> .....	<b>63</b>
<b>TRANSFER AGENT AND REGISTRAR</b> .....	<b>63</b>

<b>MATERIAL CONTRACTS</b> .....	<b>64</b>
<b>INTERESTS OF EXPERTS</b> .....	<b>64</b>
<b>ADDITIONAL INFORMATION</b> .....	<b>64</b>

SCHEDULE A – Report on Reserves Data by Independent Qualified Reserves Evaluator (Form 51-101F2)

SCHEDULE B – Report of Management and Directors on Oil and Gas Disclosure (Form 51-101F3)

SCHEDULE C – Audit Committee Charter

## NOTES TO READER

### General

In this Annual Information Form (AIF), unless otherwise indicated or the context otherwise requires, the terms "we", "us", "our", and "the Company" refer to Prairie Provident Resources Inc., as parent corporation, together with Prairie Provident Resources Canada Ltd. (formerly Lone Pine Resources Canada Ltd.) and its other wholly-owned subsidiaries. See "*Company Overview and Background*" below.

Unless otherwise indicated, information in this AIF is given as at the end of the Company's most recently completed financial year, being December 31, 2025.

### Defined Terms

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the respective meanings set forth below:

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**API**" means the American Petroleum Institute, and "**API**" is an indication of the specific gravity of crude oil measured on the API gravity scale;

"**Board of Directors**" means the board of directors of Prairie Provident;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society);

"**Common Shares**" means common shares in the capital of Prairie Provident. On December 31, 2025, Prairie Provident implemented a 30-to-1 consolidation of its outstanding Common Shares on the basis of one post-consolidation Common Share for every 30 pre-consolidation Common Shares. The Consolidation also resulted in proportionate adjustments to the exercise price (as applicable) and number of Common Shares issuable pursuant to the Company's outstanding share purchase warrants, broker warrants, stock options, restricted share units and deferred share units;

"**gross**" means: (i) in relation to the Company's interest in production and reserves, its "company gross reserves", which are the Company's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interests of the Company; (ii) in relation to wells, the total number of wells in which the Company has an interest; and (iii) in relation to properties, the total area of properties in which the Company has an interest;

"**IFRS**" means International Financial Reporting Standards;

"**net**" means: (i) in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) share after deduction of royalties obligations, plus the Company's royalty interest in production or reserves; (ii) in relation to wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (iii) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company;

"**NGLs**" means natural gas liquids;

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators;

"**PPR Canada**" means Prairie Provident Resources Canada Ltd. (formerly Lone Pine Resources Canada Ltd.), an Alberta corporation that is a subsidiary of Prairie Provident (direct and indirect) and the amalgamated corporation continuing from amalgamations with Arsenal Energy Inc. on January 1, 2017 and with Marquee Energy Ltd. on November 21, 2018;

"**Prairie Provident**" means Prairie Provident Resources Inc.; and

"**TSX**" means the Toronto Stock Exchange.

Certain other terms used but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

### **Barrel of Oil Equivalency Measures**

This AIF includes various references to "barrels of oil equivalent" (boe).

We have adopted the industry-standard conversion ratio of six Mcf to one bbl when converting natural gas quantities to boe. Boe may be misleading, though, particularly if used in isolation. **A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead or plant gate.**

Although the six-to-one conversion factor is an industry-accepted norm, it is not reflective of price or market value differentials between product types. Based on current commodity prices, the value ratio between natural gas and oil is significantly different than the six-to-one ratio based on energy equivalency. Accordingly, a conversion ratio based on six Mcf of natural gas to one bbl of oil may be misleading as an indication of value.

### **Currency References**

Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars and the term "\$000s" means thousands of dollars.

### **Abbreviations**

Following is a list of certain abbreviations used in this AIF.

<u>Crude Oil and Natural Gas Liquids:</u>		<u>Natural Gas:</u>	
bbl	Barrel	Mcf	thousand cubic feet
bbl/d	barrels per day	MMcf	million cubic feet
Mbbl	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbl	million barrels	Btu	British thermal unit
NGLs	natural gas liquids	MMbtu	million British thermal units
		m <sup>3</sup>	cubic metres

<u>Barrels of Oil Equivalent:</u>	
boe	barrels of oil equivalent of natural gas on the basis of 1 boe for 6 Mcf of natural gas
Mboe	one thousand barrels of oil equivalent
MMboe	one million barrels of oil equivalent
boe/d	barrels of oil equivalent per day

## Conversion Ratios

In this AIF, certain measurements may be given in Standard Imperial Units or in International System of Units (or metric units). The following table sets forth certain standard conversions between the two measurement systems.

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	thousand cubic metres ("10 <sup>3</sup> m <sup>3</sup> ")	0.0282
thousand cubic metres	Mcf	35.494
Bbl	cubic metres ("m <sup>3</sup> ")	0.159
cubic metres	bbl	6.290
Feet	metres	0.305
Metres	feet	3.281
Miles	kilometres	1.609
Kilometres	miles	0.621
Acres	hectares	0.405
Hectares	acres	2.471

## RESERVES DATA DISCLOSURE

The reserves attributed herein to the Company's current and former properties are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than those estimated, and the difference may be material.

Similarly, the future net revenues relating to reserves as presented in this AIF are also estimates only, and it should not be assumed that they represent the fair market value of such reserves. There is no assurance that the forecast prices and cost assumptions applied by the independent qualified reserves evaluator in evaluating the reserves will be attained, and variances between actual and forecast prices and costs could be material.

In addition, estimates of reserves and related future net revenues for 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 determination of oil and gas reserves involves estimating subsurface accumulations of oil, natural gas and NGLs that cannot be measured in an exact manner. The preparation of estimates is subject to an inherent degree of associated risk and uncertainty, including factors that are beyond our control. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. It requires significant judgments based on available geological, geophysical, engineering, and economic data as well as forecasts of commodity prices and anticipated costs. As circumstances change and additional data becomes available, whether through the results of drilling, testing and production or from economic factors such as changes in product prices or development and production costs, reserves estimates also change. Revisions may be positive or negative.

In accordance with the requirements of NI 51-101, disclosure of reserves contained in this AIF uses the applicable terminology and reserves categories set out in the COGE Handbook.

All estimates of future net revenue are after the deduction of royalties, development costs, production costs and abandonment and reclamation costs but before consideration of indirect costs such as general and administrative, overhead, interest and other miscellaneous expenses.

Estimates of reserves and future net revenue have been made assuming that development of each property in respect of which the estimate is made will occur, without regard to the likely availability of funding required for that development.

### ***Reserves Categories***

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

- **"Proved reserves"** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- **"Probable reserves"** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories.

- **"Developed reserves"** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
  - **"Developed producing reserves"** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - **"Developed non-producing reserves"** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
- **"Undeveloped reserves"** are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

### ***Levels of Certainty for Reported Reserves***

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

### **FORWARD-LOOKING STATEMENTS**

This AIF contains forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are typically (but not necessarily) identified by words such as "anticipate", "believe", "plan", "budget", "continue", "potential", "project", "estimate", "intend", "expect", "attempt", "target", "seek", "may", "will", "should", or similar words suggesting future outcomes. Although the Company believes that the forward-looking statements contained herein are reasonable based on currently available information, undue reliance should not be placed on them as they are subject to known and unknown risks and uncertainties, many of which are beyond the Company's control. Forward-looking statements are not guarantees of future outcomes.

In particular, this AIF and other documents filed by Prairie Provident with securities regulatory authorities in Canada contain forward-looking statements regarding, among other things:

- business plans and strategies;
- plans for and results of exploration and development activities;
- the source of funding for the Company's activities, including development costs;
- expectations regarding the Company's ability to raise capital and to add reserves and grow production through acquisitions, exploration and development;
- estimated quantities of natural gas, oil, and NGLs reserves within the Company's properties and recovery rates;
- estimated net present value of future net revenues from identified reserves;
- market prices for oil, natural gas and NGLs;
- capital expenditures;
- exploration, development, operating and transportation costs;
- oil, natural gas and NGL production estimates;
- sources of oil, natural gas and NGL production growth;
- supply and demand for oil, natural gas and NGLs;
- foreign currency exchange rates and interest rates;
- treatment under governmental regulatory regimes and tax, environmental and other laws;

- future operating and financial results;
- realization of the anticipated benefits of acquisitions and dispositions;
- performance characteristics of the Company's oil and gas properties;
- commodity prices and costs;
- planned construction and expansion of facilities;
- drilling and completion plans;
- secondary recovery projects;
- availability of rigs, equipment and other goods and services;
- procurement of drilling licenses and other necessary authorizations;
- reserves life measurements; and
- well abandonment costs and other abandonment and reclamation costs.

The Company's actual results could differ materially from those anticipated in its forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- general economic, market and business conditions in Canada, the United States and globally;
- variance of the Company's actual capital costs, operating costs and economic returns from those anticipated;
- risks inherent in oil and gas operations, including production risks associated with sour hydrocarbons;
- volatility in market prices for oil, natural gas and NGLs;
- differentials between benchmark commodity prices and those realizable by the Company;
- operational dependence on other industry participants;
- uncertainties associated with estimating oil, natural gas and NGL reserves;
- uncertainties associated with estimating production of oil, natural gas and NGLs from the Company's lands;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and services;
- unanticipated operating events that can reduce production or cause production to be shut in or delayed;
- incorrect assessments of the value of acquisitions or dispositions;
- geological, technical, engineering, drilling, completion and processing problems;
- increased operating costs and capital costs;
- changes in laws and governmental regulations;

- actions by governmental authorities, including increases in royalties or taxes;
- accessibility of capital when required and on acceptable terms;
- changes in interest rates or currency exchange rates;
- stock market volatility;
- ability to obtain required regulatory approvals and third party consents on a timely basis and on satisfactory terms; and
- those factors discussed under "Risk Factors" in this AIF.

The foregoing list of factors is not and should not be construed as exhaustive.

In addition, information and statements relating to "reserves" or other "resources" are forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or other resources described exist in the quantities predicted or estimated and, in the case of reserves, can profitably be produced in the future. See also "*Reserves Data Disclosure*".

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on assumptions, and are subject to known and unknown risks and uncertainties, both general and specific, many of which are beyond our control, that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations contained in the forward-looking statements or upon which they are based will in fact occur or be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

Forward-looking statements are based on the Company's current beliefs, as well as assumptions made by and information currently available to the Company concerning, such matters as: the accuracy of geological and geophysical data and interpretations of that data; future oil, natural gas and NGLs prices at which the Company's production may be sold; the ability of the Company to achieve drilling success consistent with management's expectations; the timing and cost of pipeline and facility construction and expansion and the ability of the Company to secure adequate product transportation; future capital requirements and expenditures; future exchange rates; the accessibility and cost of capital (including credit facilities); the ability to obtain financing on acceptable terms; future exploration, development, operating and transportation costs; the ability to economically produce oil and gas from its properties and the timing and cost to do so; the ability to add production and reserves through development and exploration activities; the ability to obtain qualified staff, equipment, services and supplies in a timely and cost-efficient manner; applicable regulatory requirements, including with respect to environmental protection; applicable royalty rates, and available means by which to bring the Company's production to market. Although management considers its beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

The forward-looking statements contained in this AIF are made as of the date hereof and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities laws.

All forward-looking statements contained herein are expressly qualified by this cautionary statement.

## COMPANY OVERVIEW AND BACKGROUND

### General

Prairie Provident is a Calgary-based public company engaged in the exploration and development of oil and natural gas properties in Alberta. Our strategy is to optimize cash flow from our existing assets while exploiting low-risk production enhancement and drilling opportunities within the current asset portfolio.

Our business was previously conducted by Lone Pine Resources Inc. and its subsidiary, Lone Pine Resources Canada Ltd., which completed a business combination with Arsenal Energy Inc. in September 2016 to continue as Prairie Provident.

Our business today is conducted primarily through PPR Canada, which owns and operates substantially all of our oil and gas assets and is a subsidiary of Prairie Provident. PPR Canada is the amalgamation successor to Lone Pine Resources Canada Ltd. and Arsenal Energy Inc. (which combined in September 2016) and, upon its acquisition by Prairie Provident in November 2018, Marquee Energy Ltd.

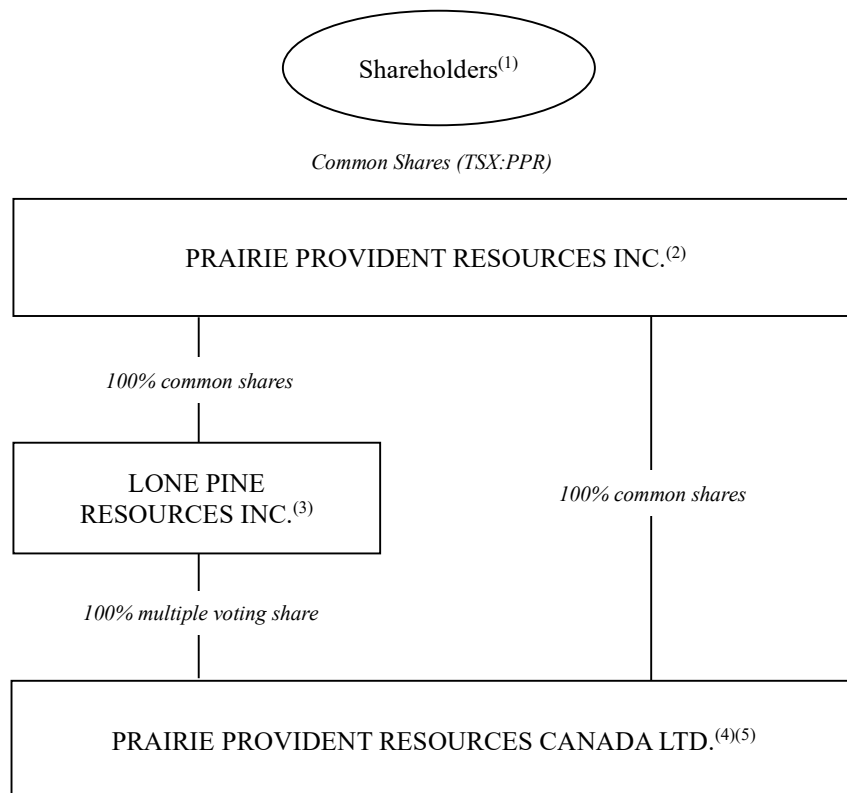
Our reserves, producing properties and principal exploration prospects are located in the Province of Alberta.

Our head office is located at 1000, 500 – 4th Avenue S.W., Calgary, Alberta. Our registered office is located at 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta.

The Common Shares are listed on the TSX under the symbol "PPR".

### Intercorporate Relationships

Prairie Provident is the parent corporation of the corporate group consisting primarily of itself, PPR Canada and Lone Pine Resources Inc., which are its only material subsidiaries. The following diagram sets out the intercorporate ownership structure of Prairie Provident and its material subsidiaries.



---

*Notes:*

- (1) Approximately 80.1% of the outstanding Common Shares are held by PCEP Canadian Holdco, LLC, a Delaware limited liability company that is indirectly managed by PGIM Private Capital, a unit of PGIM, Inc.
- (2) Alberta corporation.
- (3) Delaware corporation that is a wholly-owned subsidiary of Prairie Provident and holds a controlling equity interest in Prairie Provident Resources Canada Ltd.
- (4) Alberta corporation continuing from the amalgamation of Prairie Provident Resources Canada Ltd. and Marquee Energy Ltd. on November 21, 2018, and the amalgamation successor to (among others) Lone Pine Resources Canada Ltd. and Arsenal Energy Inc.
- (5) Prairie Provident directly and indirectly owns 100% of the common shares of Prairie Provident Resources Canada Ltd. In addition, 264,848 Class A preferred shares of Prairie Provident Resources Canada Ltd. are outstanding and are held by an affiliate of PCEP Canadian Holdco, LLC. The Preferred Shares are non-voting except as required by applicable law. See "Company Overview and Background – General Development of Our Business – Recent Developments".

### **General Development of our Business**

The Company's business over the last three completed financial years has been focused on the continued development of its oil and gas properties, particularly its core areas at Princess and Michichi in Southern Alberta. See "*Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties*". The pace of drilling activity over such period has generally reflected the prevailing commodity price environment and the Company's liquidity and capital resources, with the Company drilling three wells in 2022, no wells in 2023, two wells in 2024 and six wells in 2025.

The Company has financed its business since 2022 through internally generated cash flows, borrowings under credit arrangements and, more recently, capital raised in connection with the Recapitalization, the Rights Offering and the 2025 Equity Offerings described below.

Prior to completion of the Recapitalization on May 16, 2023, the Company's credit arrangements were comprised of a senior secured revolving note facility (the "**First Lien Loan**"), and three series of senior subordinated notes ("**Subordinated Notes**") issued in 2017, 2018 and 2020, respectively.

On December 29, 2021, the note purchase agreements governing the First Lien Loan and the Subordinated Notes were further amended to, among other things, extend the maturity date of the First Lien Loan from December 31, 2022 to December 31, 2023, and the maturity date of the Subordinated Notes originally issued in 2017 and 2018 from June 30, 2023 to June 30, 2024. The maturity date of the Subordinated Notes issued in December 2020 was left unchanged at December 21, 2026.

Effective December 31, 2022, the borrowing base under the First Lien Loan was reduced to US\$50.0 million in accordance with scheduled reductions agreed in December 2020.

#### *Recapitalization*

On March 29, 2023, Prairie Provident announced that it had entered into a Debt Restructuring Agreement with PCEP Canadian Holdco, LLC ("**PCEP**"), which held all then-outstanding Subordinated Notes as well as 34,292,360 warrants to purchase pre-consolidation Common Shares exercisable at \$0.0192 per share, and agreements with certain other parties, for various recapitalization transactions (collectively, the "**Recapitalization**") to, among other things, raise additional equity and debt capital, significantly reduce the Company's total debt through a repayment of all outstanding Subordinated Notes with equity, waive certain defaults under the First Lien Loan and the Subordinated Notes, and extend the maturity date of the First Lien Loan.

PCEP is a Delaware limited liability company that is indirectly managed by PGIM Private Capital, a unit of PGIM, Inc.

The Recapitalization was subsequently completed, and included the following principal transactions:

- the issue and sale by Prairie Provident of second lien notes due December 31, 2024 (the "**Second Lien Notes**") in the principal amount of US\$3.64 million (approximately \$5 million at the then-prevailing exchange rate) to certain affiliates of PCEP, which was completed on March 30, 2023;
- a brokered private placement offering of 44,444,444 pre-consolidation units of Prairie Provident ("**Recapitalization Equity Financing Units**") at a price of \$0.09 per Recapitalization Equity Financing Unit for aggregate gross proceeds of \$4 million, each Recapitalization Equity Financing Unit being comprised of one pre-consolidation Common Share and one warrant exercisable for an additional pre-consolidation Common Share at an exercise price of \$0.10 per share for a 5-year term ending May 16, 2028 (the "**Recapitalization Equity Financing**"), which was completed on May 16, 2023;
- settlement of all the Company's indebtedness under the outstanding Subordinated Notes previously held by PCEP, in the aggregate amount of US\$53.4 million (approximately \$72.0 million at the then-prevailing exchange rate), through the issuance on May 16, 2023 of 514,408,902 pre-consolidation Common Shares at an agreed repayment price equal to \$0.14 per pre-consolidation Common Share (the "**Subordinated Notes Settlement**");
- concurrently with the Subordinated Notes Settlement, a 'cashless' exercise by PCEP of its warrants, for an issuance of an additional pre-consolidation 26,516,207 Common Shares; and
- amendments to the agreement governing the First Lien Loan to, among other things, waive certain defaults and extend the maturity date.

Pursuant to an Investor Rights Agreement entered into in connection with completion of the Recapitalization Equity Financing and the Subordinated Notes Settlement, PCEP has the right to nominate and/or have appointed a majority of the Board of Directors. Glenn Hamilton, Dale Miller and Kathy Turgeon were subsequently nominated and became directors of Prairie Provident pursuant to the exercise of this right. See "*Directors and Officers*" below.

In addition to the warrants issued as part of the Recapitalization Equity Financing Units, an aggregate of 3,555,555 pre-consolidation broker warrants ("**Recapitalization Equity Financing Broker Warrants**") were issued as partial compensation to the agents for the Recapitalization Equity Financing. Each Broker Warrant entitles the holder to subscribe for and purchase one Recapitalization Equity Financing Unit at an exercise price of \$0.09 per Recapitalization Equity Financing Unit for a 5-year term ending May 16, 2028.

#### *Property Dispositions*

In October 2023, PPR Canada entered into agreements to sell its Evi assets in Northern Alberta and certain non-core assets located in the Provost area of Central Alberta. The sale transactions (together, the "**Dispositions**") were completed in early 2024, for net proceeds from the Evi disposition of \$22.5 million after adjustments (based on an effective date of August 1, 2023) and net proceeds from the Provost disposition of \$1.7 million after adjustments (based on an effective date of July 1, 2023).

The Company used \$20,000,000 of the proceeds to retire indebtedness under the First Lien Loan. The First Lien Loan is fully drawn and no further borrowings are available thereunder.

Pursuant to the terms of the Provost sale, the buyer is conditionally required to pay up to a maximum of \$720,000 in additional proceeds depending on WTI prices and production from the acquired Provost assets during the 24-month period ending March 2026, as follows: (i) \$10,000 for any month that WTI averages between USD \$80.00 and \$89.99; (ii) \$20,000 for any month that WTI averages between USD \$90.00 and \$99.99; and (iii) \$30,000 for any month that WTI averages USD \$100 or more – in each case prorated for any month in which production from the acquired Provost assets is less than 70 boe/d.

### *2024 Rights Offering*

On October 30, 2024, the Company completed a rights offering to then-current shareholders in connection with which an aggregate of 480,000,000 pre-consolidation Common Shares were issued at a price of \$0.025 per share for aggregate gross proceeds of \$12,000,000 (the "**Rights Offering**"). The Company's principal shareholder, PCEP, participated in the Rights Offering, acquiring 400,000,000 pre-consolidation Common Shares pursuant to the exercise of its basic subscription privilege thereunder and a further 15,434,906 pre-consolidation Common Shares pursuant to a standby commitment which, together with subscriptions for 64,565,094 pre-consolidation Common Shares under the Rights Offering by purchasers other than PCEP (including directors and management of the Company), resulted in Prairie Provident realizing its \$12,000,000 funding target.

Approximately \$3.13 million of the gross proceeds from the issue of Common Shares to PCEP under the Rights Offering was directed towards the settlement of US\$2.3 million of indebtedness then owed to PCEP (such indebtedness, the "**Interim Advance**"), though setoff of that amount against the subscription price payable by PCEP. The Interim Advance had been previously incurred through an advance of funds to the Company, by way of a purchase of US\$2.3 million principal amount of second lien notes in May 2024, which effectively operated as a deposit towards the total new equity capital invested by PCEP under the Rights Offering.

In connection with the Rights Offering, the First Lien Loan was amended to: i) extend the maturity date to March 31, 2026; ii) defer a portion of cash interest obligations on amounts owed under the First Lien Loan through capitalization as additional principal; and iii) replace existing covenants to provide additional flexibility to the Company. Amendments were also agreed with respect to the Second Lien Notes, including to extend the maturity date of the Second Lien Notes to September 30, 2026 and amend the covenants for consistency with the amended covenants under the First Lien Loan.

### *Recent Developments*

The net proceeds of the Rights Offering (after settlement of the Interim Advance) was used to fund Prairie Provident's capital program for the balance of 2024, which included the drilling of two horizontal wells in the Basal Quartz formation.

On December 18, 2024, Prairie Provident reported initial results from its first two Basal Quartz wells, with the first well having achieved an IP30 (initial 30-day average production) rate of approximately 415 boe/d (275 bbl/d of medium crude oil and 850 Mcf/d of natural gas) and the second well delivering an IP21 (initial 21-day average production) rate of approximately 375 boe/d (240 bbl/d of medium crude oil and 800 Mcf/d of natural gas). A downhole mechanical issue on the second well limited stimulation to 29 of the planned 50 frac stages, resulting in 815 meters of the 1,325 meters of total drilled lateral being fracture stimulated. On February 11, 2025, the Company reported IP60 (initial 60-day average production) rates on the two wells of approximately 333 boe/d (221 bbl/d of medium crude oil and 674 Mcf/d of natural gas) and approximately 305 boe/d (189 bbl/d of medium crude oil and 697 Mcf/d of natural gas), respectively.

In furtherance of its Basal Quartz development plans, the Company completed further equity financings during the first quarter of 2025 to raise \$8.67 million in aggregate gross proceeds, with the first tranche of \$4.8 million closing on February 19, 2025 and the second and final tranche of \$3.87 million closing on March 5, 2025. In aggregate the Company issued and sold:

- (i) 86,267,672 pre-consolidation units ("**2025 LIFE Offering Units**") at a price of \$0.0425 per 2025 LIFE Offering Unit, for gross proceeds of \$3,666,376, in an offering made pursuant to the 'listed issuer financing exemption' (LIFE) under applicable Canadian securities laws (the "**2025 LIFE Offering**"), with each Unit consisting of one pre-consolidation Common Share and one pre-consolidation Common Share purchase warrant ("**2025 LIFE Offering Warrant**"), and each 2025 LIFE Offering Warrant exercisable for one pre-consolidation Common Share at price of \$0.05 per share until March 5, 2028; and
- (ii) 117,647,059 pre-consolidation Common Shares at a price of \$0.0425 per pre-consolidation Common Share, for gross proceeds of \$5,000,000, in a private placement pursuant to exemptions from the prospectus

requirements of applicable Canadian securities laws (the "**Private Placement**" and, together with the LIFE Offering, the "**2025 Equity Offerings**").

The 2025 Equity Offerings were led by Research Capital Corporation as the lead agent and sole bookrunner, on behalf of a syndicate of agents including Haywood Securities Inc. (collectively, the "**Agents**"). In connection with the 2025 Equity Offerings, the Company paid to the Agents total cash compensation of \$180,247 and issued to the Agents a total of 2,508,704 pre-consolidation non-transferable broker warrants (the "**2025 Broker Warrants**"). Each 2025 Broker Warrant entitles the holder thereof to acquire one 2025 LIFE Offering Unit at a price of \$0.0425 per 2025 LIFE Offering Unit until March 5, 2028.

Prairie Provident used the net proceeds from the 2025 Equity Offerings to drill two additional Basal Quartz horizontal wells in the first quarter of 2025 and for working capital and general corporate purposes, including expenses related to the 2025 Equity Offerings.

PCEP and certain directors and officers of the Company participated in the 2025 Equity Offerings for a final aggregate investment of \$7.32 million after converting USD-denominated commitments to Canadian dollars, of which \$5.0 million was completed under the Private Placement (acquiring 117,647,029 pre-consolidation Common Shares in total, for 100% of the Private Placement) and \$2.32 million was completed under the 2025 LIFE Offering (acquiring 54,508,872 pre-consolidation 2025 LIFE Offering Units in total, for 63.2% of the 2025 LIFE Offering).

On May 13, 2025, Prairie Provident reported initial results from three Basal Quartz horizontal wells drilled in the first quarter of 2025 in the Michichi area, with the first well having achieved an IP30 (initial 30-day average production) rate of approximately 434 boe/d (275 bbl/d of medium crude oil and 953 Mcf/d of natural gas), the second well delivering an IP21 (initial 21-day average production) rate of approximately 503 boe/d (328 bbl/d of medium crude oil and 1,052 Mcf/d of natural gas) and the third well achieving an IP21 (initial 21-day average production) rate of approximately 569 boe/d (389 bbl/d of medium crude oil and 1,080 Mcf/d of natural gas). All three wells were drilled and completed within budget and were brought on production in April 2025.

On October 31, 2025, Prairie Provident completed a preferred share financing through its subsidiary, Prairie Provident Resources Canada Ltd. ("**PPRC**"), pursuant to which PPRC issued 264,848 Class A preferred shares (the "**Preferred Shares**") at an issue price of \$100 per share for aggregate gross proceeds of \$26,484,800. The Preferred Shares are non-voting (except as required by applicable law), rank senior to all other classes of PPRC equity, and carry an 8% annual yield accruing daily and compounded annually. The original issue price plus accrued yield is payable by PPRC upon redemption or retraction of the Preferred Shares, or upon a liquidation or a corporate sale, business combination or sale of all or substantially all of the assets of the Company or PPRC (a "**Liquidity Event**"). The Preferred Shares are redeemable by PPRC or retractable by the holder for such amount at any time on or after March 31, 2031. In the circumstances of a Liquidity Event, PPRC or the Company, as the case may be, has a call right to acquire the Preferred Shares for such amount, and the holder has a put right to require that PPRC or the Company, as applicable, acquire the Preferred Shares for such amount, payable in either case at the holder's option in cash or Common Shares based on their market value at the time.

In connection with the preferred share financing, the purchaser was also issued warrants entitling the holder to acquire, for no additional consideration, an aggregate of 379,024,000 pre-consolidation Common Shares, exercisable upon redemption or retraction of the Preferred Shares or upon a Liquidity Event, subject to adjustment in certain events. Prairie Provident also agreed, if requested by the purchaser and subject to receipt of necessary regulatory (including stock exchange) and shareholder approvals, to accommodate a future exchange of the Preferred Shares for preferred shares of the Company having substantially equivalent rights, failing which each such warrant will become exercisable for 1.5 Common Shares instead of 1 Common Share. Concurrently, the existing Investor Rights Agreement was amended to add the purchaser as a party entitled to its benefits and to provide the investor parties with incremental board observer rights, the right to require a strategic alternatives review process, a consent right with respect to future issuances of shares or convertible securities, certain covenant protections and information rights.

Also on October 31, 2025, Prairie Provident completed amendments to its debt agreements providing for: (i) 24-month extensions to the maturity date of the First Lien Loan and the Second Lien Notes, to March 31, 2028 and September 30, 2028, respectively; (ii) allowance for the Company to defer all cash interest obligations on the First Lien Loan through 2026, with such amounts capitalized as additional principal; and (iii) adjustments to financial covenants to

align with current expectations for the extended term to maturity. In connection with these transactions, Prairie Provident had applied to the TSX for relief under the “financial hardship” provisions of the TSX Company Manual, which application was accepted by TSX. As a consequence, the Company was placed under a remedial delisting review which is ongoing as of the date of this AIF. The preferred share financing and debt amendments also constituted related party transactions under MI 61-101 and were completed in reliance on the applicable financial hardship exemptions from the formal valuation and minority approval requirements thereunder.

On December 31, 2025, Prairie Provident implemented a 30-to-1 consolidation of its outstanding Common Shares on the basis of one post-consolidation Common Share for every 30 pre-consolidation Common Shares. The Consolidation also resulted in proportionate adjustments to the exercise price (as applicable) and number of Common Shares issuable pursuant to the Company’s outstanding share purchase warrants, broker warrants, stock options, restricted share units and deferred share units.

On January 7, 2026, Prairie Provident provided an operations update reporting that it had successfully drilled and completed one Ellerslie multi-leg open hole horizontal well in the Princess core area, which achieved an IP30 production rate of 245 boe/d and latest daily production of approximately 290 boe/d (131 bbl/d of heavy crude oil and 684 Mcf/d of natural gas), that a new Princess water disposal facility was installed and commissioned and that two one-mile Basal Quartz horizontal wells in Michichi encountered production casing failures during primary cementing operations, with the wells believed to be unsalvageable.

### **Business Plan and Strategy**

We are committed to capital discipline and operational efficiency, with a focus on development opportunities in our Central and Southern Alberta core areas and improving profitability through operating cost improvements. Our strategy is to optimize cash flow from our existing assets while exploiting low-risk production enhancement and drilling opportunities within the current asset portfolio.

### **Marketing and Delivery Commitments**

Our natural gas production is generally sold on a daily and/or monthly basis, priced in reference to published market indices. Our oil production is also generally sold under month-to-month contracts at prices based upon refinery postings, and is typically sold at or near the wellhead. Our NGLs production is typically sold under term agreements at gas processing facilities at prices based on the average of posted prices less pipeline tariffs and fractionation fees. We believe that the loss of one or more of our current oil, natural gas or NGLs purchasers would not have a material adverse effect on our ability to sell our production, because any individual purchaser could be readily replaced by another purchaser, absent a broad market disruption.

For information on financial contractual obligations relating to the Company's transportation agreements, see Note 23 (Commitments and Contingencies) in the Company's annual financial statements for the year ended December 31, 2025, available on Prairie Provident's website at [www.ppr.ca](http://www.ppr.ca) and under its issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Employees**

As of December 31, 2025, the Company had 12 full-time employees and 27 contractors (both full-time and part-time). In the ordinary course of our business we require the services of accountants, landmen, engineers, field operators and other professionals to aid in specialized areas and to explore and analyze hydrocarbon prospects and to determine a method in which prospects may be developed in a cost-effective manner. We also rely on the owners and operators of drilling and completion equipment to drill and develop our prospects to production. We have been able to acquire the services of these persons as needed in the past and believe that it will be able to continue to acquire these services as needed in the future.

## Competition

The Company encounters competition in all aspects of its business, including acquisition of properties and oil and gas leases, marketing oil, natural gas and NGLs, obtaining services and labor and securing drilling rigs and other equipment necessary for maintaining, drilling and completing wells. Our ability to add reserves in the future will depend on our ability to generate successful prospects on our existing properties, execute on organic development programs, and acquire additional producing properties and/or prospects for future development and exploration. Many of the companies that we compete with have substantially larger workforce and greater financial and operational resources than the Company. Because of the nature of our oil and gas assets and management's experience in exploiting its reserves and acquiring properties, management believes that the Company effectively competes in its markets. See "*Risk Factors – Competitive Risk*" in this AIF.

## Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial governmental authorities impose road bans that restrict the movement of drilling and service rigs and other heavy equipment, thereby limiting or temporarily halting drilling and producing activities and other oil and gas operations. These constraints and the resulting shortages or high costs could delay or temporarily halt our operations and materially increase our operating and capital costs. Extreme cold weather may cause operational outages and reduced well performance, and ultimately lost revenue. Restoring downtime production could also materially increase our operating costs. Such seasonal anomalies can also adversely affect our ability to meet drilling objectives and capital commitments, and may increase competition for equipment, supplies and personnel during the winter months, which could lead to shortages and increased costs or delay or temporarily halt operations.

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The estimates of the Company's proved reserves and probable reserves and related future net revenue (collectively, "**reserves data**") set forth below is based upon a report dated February 2, 2026 prepared by Trimble Engineering Associates Ltd. ("**Trimble**") evaluating the crude oil, natural gas and NGLs reserves of the Company as at an effective date of December 31, 2025 using forecast prices and costs (the "**Trimble Report**"). The preparation date of the Trimble Report, being the most recent date to which information relating to the period ending December 31, 2025 was considered in its preparation, was February 2, 2026. Trimble evaluated proved and probable reserves attributable to the Company's interest in 100% of its properties and the net present value of estimated future cash flow from such reserves, based on forecast price and cost assumptions, in accordance with NI 51-101 and, pursuant thereto, the standards contained in the COGE Handbook.

We engaged Trimble to provide an evaluation of proved reserves and probable reserves only. No attempt was made to evaluate possible reserves or any resources other than proved reserves and probable reserves.

All our reserves are located in Canada in the Province of Alberta. We do not have significant unconventional reserves (bitumen, synthetic oil, coal bed methane, etc.).

A Report on Reserves Data by Independent Qualified Reserves Evaluator (Form 51-101F2) from Trimble and a Report of Management and Directors on Oil and Gas Disclosure (Form 51-101F3), each in the form required under NI 51-101, are attached as Schedules A and B, respectively, to this AIF.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions applied by Trimble in evaluating the Company's reserves will be attained, and variances could be material. The recovery and reserve estimates attributed to our properties are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein, and the difference may be material.

See "*Reserves Data Disclosure*", "*Risk Factors*" and "*Forward-Looking Statements*".

Reserves Data

**Reserves Data (Forecast Prices and Costs)**

The following tables set forth the Company's reserves data estimates as of December 31, 2025, as evaluated by Trimble using forecast prices and costs.

**SUMMARY OF OIL AND GAS RESERVES  
as of December 31, 2025**

**FORECAST PRICES AND COSTS**

Reserves Category	Light & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas		Coal Bed Methane		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
PROVED												
Developed Producing	2,484	2,211	611	522	16,562	14,834	—	—	207	185	6,063	5,391
Developed Non-Producing	169	160	9	8	3,926	3,596	—	—	58	52	891	819
Undeveloped	5,423	4,616	470	388	17,921	16,426	—	—	292	257	9,172	7,998
<b>TOTAL PROVED</b>	<b>8,077</b>	<b>6,986</b>	<b>1,091</b>	<b>918</b>	<b>38,409</b>	<b>34,856</b>	<b>—</b>	<b>—</b>	<b>556</b>	<b>494</b>	<b>16,125</b>	<b>14,208</b>
PROBABLE	4,524	3,743	512	426	17,174	15,672	—	—	257	225	8,156	7,005
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>12,601</b>	<b>10,729</b>	<b>1,603</b>	<b>1,344</b>	<b>55,583</b>	<b>50,528</b>	<b>—</b>	<b>—</b>	<b>813</b>	<b>719</b>	<b>24,281</b>	<b>21,213</b>

**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE  
as of December 31, 2025**

**FORECAST PRICES AND COSTS  
(Before and After Income Taxes)**

Reserves Category	Net Present Values of Future Net Revenue (\$000s)										Unit Value <sup>(1)</sup> Before Income Taxes – Discounted at 10%/year \$/boe
	Before Income Taxes – Discounted at (%/year)					After Income Taxes – Discounted at (%/year)					
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
PROVED											
Developed Producing	(42,932)	15,173	22,902	22,593	20,893	(42,932)	15,173	22,902	22,593	20,893	4.25
Developed Non-Producing	7,718	6,400	5,411	4,647	4,044	7,718	6,400	5,411	4,647	4,044	6.61
Undeveloped	187,350	142,321	110,686	87,693	70,470	187,350	142,321	110,686	87,693	70,470	13.84
<b>TOTAL PROVED</b>	<b>152,136</b>	<b>163,893</b>	<b>138,999</b>	<b>114,933</b>	<b>95,407</b>	<b>152,136</b>	<b>163,893</b>	<b>138,999</b>	<b>114,933</b>	<b>95,407</b>	<b>9.78</b>
PROBABLE	228,179	148,484	104,832	78,077	60,456	228,179	148,484	104,832	78,077	60,456	14.96
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>380,315</b>	<b>312,377</b>	<b>243,831</b>	<b>193,010</b>	<b>155,863</b>	<b>380,315</b>	<b>312,377</b>	<b>243,831</b>	<b>193,010</b>	<b>155,863</b>	<b>11.49</b>

Note:

(1) Unit values are based on net reserves.

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)  
as of December 31, 2025**

**FORECAST PRICES AND COSTS (\$000s)**

<b>Reserves Category</b>	<b>Revenue <sup>(1)</sup></b>	<b>Royalties <sup>(2)</sup></b>	<b>Operating Costs</b>	<b>Development Costs</b>	<b>Abandonment and Reclamation Costs</b>	<b>Future Net Revenue Before Income Taxes</b>	<b>Income Taxes</b>	<b>Future Revenue After Income Taxes</b>
TOTAL PROVED	916,494	124,130	381,190	133,514	125,525	152,136	-	152,136
TOTAL PROVED PLUS PROBABLE	1,449,756	210,856	534,635	195,071	128,881	380,315	-	380,315

*Notes:*

- (1) Total Revenue includes company revenue before royalty and includes other income.
- (2) Royalties include Crown royalties, freehold royalties, overriding royalties and freehold mineral tax.

**FUTURE NET REVENUE BY PRODUCTION GROUP  
as of December 31, 2025**

**FORECAST PRICES AND COSTS**

<b>Reserves Category</b>	<b>Production Type</b>	<b>Future Net Revenue Before Income Taxes <sup>(5)</sup> (discounted at 10%/year)</b>	
		<b>\$000s</b>	<b>\$/boe</b>
TOTAL PROVED	Light and Medium Crude Oil <sup>(1)</sup>	156,548	22.63
	Heavy Crude Oil <sup>(1)</sup>	25,322	27.59
	Conventional Natural Gas <sup>(2)</sup>	12,799	1.00
	Coal Bed Methane <sup>(3)</sup>	-	-
	Other Items <sup>(4)</sup>	-55,670	-
	<b>Total Proved</b>		138,999
TOTAL PROVED PLUS PROBABLE	Light and Medium Crude Oil <sup>(1)</sup>	249,124	23.39
	Heavy Crude Oil <sup>(1)</sup>	35,806	26.65
	Conventional Natural Gas <sup>(2)</sup>	14,570	0.93
	Coal Bed Methane <sup>(3)</sup>	-	-
	Other Items <sup>(4)</sup>	-55,670	-
	<b>Total Proved Plus Probable</b>		243,831

*Notes:*

- (1) Including solution gas (gas dissolved in crude oil) and associated by-products.
- (2) Non-associated and associated gas. Including associated by-products but excluding solution gas.
- (3) Including associated by-products but excluding solution gas.
- (4) Including items not associated with products, such as ARO and inactive costs
- (5) Unit values are based on net reserves for each production group.

*Notes to Reserves Data Tables:*

- (1) Columns may not add due to rounding.

- (2) All estimates of reserves data presented herein have been prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and the Canadian Oil and Gas Evaluation Handbook. Relevant definitions are set out in the following notes.
- (3) Reserve estimates of natural gas include associated gas (the gas cap overlying a crude oil accumulation in a reservoir) and non- associated gas (an accumulation of natural gas in a reservoir where there is no crude oil).
- (4) Unit values are based on net reserves volumes before income tax.
- (5) Future Development Costs shown are associated with booked reserves in the Trimble Report and do not necessarily represent the Company's full exploration and development budget.
- (6) "**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data, with the use of established technology and under specified economic conditions which are generally accepted as being reasonable, and shall be disclosed. Reserves are classified according to the degree of uncertainty associated with the estimate.
- (7) "**Proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (8) "**Probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- (9) "**Developed reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
- (10) "**Developed producing reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- (11) "**Developed non-producing reserves**" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
- (12) "**Undeveloped reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling and completing a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (i.e., proved or probable) to which they are assigned and are expected to be developed within a limited time.
- (13) "**Forecast prices and costs**" are those: (i) generally acceptable as being a reasonable outlook of the future; and (ii) if and only to the extent that, there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in clause (i). The table under "Pricing Assumptions" below identifies benchmark reference prices that apply to the Company.
- (14) "**Operating costs**" (or "**Production costs**") means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. Lifting costs become part of the cost of oil and gas produced. Examples of operating costs or production costs are: (i) costs of labour to operate the wells and related equipment and facilities; (ii) costs of repairs and maintenance; (iii) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities; (iv) costs of workovers; (v) property taxes and insurance costs applicable to properties and wells and related equipment and facilities; and (vi) taxes, other than income and capital taxes.
- (15) "**Exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:
  - (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies;
  - (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;

- (c) dry hole contributions and bottom hole contributions;
  - (d) costs of drilling and equipping exploratory wells; and
  - (e) costs of drilling exploratory type stratigraphic test wells.
- (16) "**Development costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:
- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
  - (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
  - (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
  - (d) provide improved recovery systems.
- (17) "**Future income taxes**" are estimated: (i) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities; (ii) without deducting estimated future costs that are not deductible in computing taxable income; (iii) taking into account estimated tax credits and allowances; and (iv) applying to the future pre-tax net cash flows relating to the Company's oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.
- (18) "**Exploratory well**" means a well that is not a development well, a service well or a stratigraphic test well.
- (19) "**Development well**" means a well drilled inside the established limits of an oil or gas reservoir or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.
- (20) "**Service well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.
- (21) "**Stratigraphic test well**" means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as: (i) "exploratory type" if not drilled into a proved property; or (ii) "development type", if drilled into a proved property. Development type stratigraphic wells are also referred to as "evaluation wells".

### ***Pricing and Inflation Rate Assumptions***

The reserves data estimates contained herein are based on forecast prices and costs, using the pricing, exchange rate and inflation rate assumptions forecasted by Sproule Associates Ltd. ("**Sproule**") as of December 31, 2025.

The forecast price and cost assumptions used in estimating the Company's reserves data assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The following table sets forth commodity benchmark reference pricing, inflation rates and exchange rates utilized by Trimble in the Trimble Report, which referenced Sproule's December 31, 2025 price forecast. Price offsets and differentials for each property were determined by comparing actual historical benchmark prices to actual prices received at the property.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS  
USED IN PREPARING RESERVES DATA  
(Forecast Prices and Costs)**

Year	WTI <sup>(1)</sup> (\$/US/bbl)	Canadian Light Sweet <sup>(2)</sup> (\$/Cdn/bbl)	Western Canada Select <sup>(3)</sup> (\$/Cdn/bbl)	AECO-C (NIT) Spot (\$/Cdn/MMBtu)	Edmonton Propane (\$/Cdn/bbl)	Edmonton Butane (\$/Cdn/bbl)	Edmonton Condensate (Pentanes Plus) (\$/Cdn/bbl)	Operating Costs (%/Year)	Capital Costs (%/Year)	Exchange Rate (\$/US/\$/Cdn)
2026	58.00	76.39	63.19	3.06	23.58	36.25	77.78	0.0%	0.0%	0.72
2027	63.00	81.08	68.24	3.35	25.77	38.31	82.43	2.0%	2.0%	0.74
2028	68.00	86.67	74.00	3.28	28.18	40.80	87.95	2.0%	2.0%	0.75
2029	69.36	88.40	75.48	3.35	28.74	41.62	89.71	2.0%	2.0%	0.75
2030	70.75	90.17	76.99	3.41	29.31	42.45	91.50	2.0%	2.0%	0.75
2031	72.16	91.97	78.53	3.48	29.90	43.30	93.33	2.0%	2.0%	0.75
2032	73.61	93.81	80.10	3.55	30.50	44.16	95.20	2.0%	2.0%	0.75
2033	75.08	95.69	81.70	3.62	31.11	45.05	97.10	2.0%	2.0%	0.75
2034	76.58	97.60	83.34	3.69	31.73	45.95	99.04	2.0%	2.0%	0.75
2035	78.11	99.55	85.00	3.77	32.37	46.87	101.02	2.0%	2.0%	0.75
Thereafter	Escalation rate on prices and costs of +2.0% per year									

*Notes:*

- (1) West Texas Intermediate (WTI) at Cushing Oklahoma (40° API, 0.4% sulphur)
- (2) Canadian Light Sweet at Edmonton, Alberta (40° API)
- (3) Western Canada Select at Hardisty, Alberta (20.5° API)

The weighted average historical prices realized by the Company for the year ended December 31, 2025 were \$76.19 per bbl for light and medium crude oil, \$76.70 for heavy crude oil, \$1.80 per Mcf for natural gas and \$46.88 per bbl for NGLs. For further information regarding the Company's production mix in 2025, see "*Other Oil and Gas Information – Production History*" below.

### Reserves Reconciliation

The following table sets forth a year-over-year reconciliation of the Company's estimated gross reserves as of December 31, 2025 to the prior year's estimates, based on forecast prices and costs, by principal product type.

Factors	Light and Medium Crude Oil			Heavy Crude Oil			Assoc & Non-Assoc Gas		
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMcft)	Gross Probable (MMcft)	Gross Proved Plus Probable (MMcft)
Dec 31, 2024 <sup>(1)</sup>	7,632	5,678	13,310	781	532	1,313	33,867	20,566	54,432
Discoveries	-	-	-	-	-	-	-	-	-
Extensions	-	214	214	235	57	292	289	780	1,069
Infill Drilling	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	(227)	(64)	(292)	(12)	(3)	(15)	(1,335)	(359)	(1,694)
Technical Revisions <sup>(2)</sup>	1,114	(1,304)	(190)	125	(74)	52	7,779	(3,814)	3,965
Production	(442)	-	(442)	(39)	-	(39)	(2,190)	-	(2,190)
Dec 31, 2025 <sup>(3)</sup>	8,077	4,524	12,601	1,091	512	1,603	38,410	17,174	55,583

Factors	Coal Bed Methane			Natural Gas Liquids			Total Oil Equivalent		
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (Mboe)	Gross Probable (Mboe)	Gross Proved Plus Probable (Mboe)
Dec 31, 2024 <sup>(1)</sup>	-	-	-	463	281	744	14,520	9,919	24,439
Discoveries	-	-	-	-	-	-	-	-	-
Extensions	-	-	-	-	10	10	283	411	694
Infill Drilling	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	(19)	(5)	(24)	(481)	(133)	(613)
Technical Revisions <sup>(2)</sup>	-	-	-	142	(28)	113	2,678	(2,041)	636
Production	-	-	-	(30)	-	(30)	(876)	-	(876)
Dec 31, 2025 <sup>(3)</sup>	-	-	-	556	257	813	16,125	8,156	24,281

Notes:

- (1) Opening balances based on an evaluation report prepared by Trimble dated February 2, 2026 with an effective date of December 31, 2025.
- (2) Technical Revisions also include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.
- (3) Columns may not add due to rounding.

Year-over-year changes in the Company's estimated gross reserves from December 31, 2024 to December 31, 2025 are primarily the result of: (i) improved well performance and reactivations; (ii) changes in commodity price forecasts and price offsets (economic factors).

## Additional Information Relating to Reserves Data

### Undeveloped Reserves

Undeveloped reserves are assigned by Trimble in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Generally, proved undeveloped reserves are those reserves related to drilling wells or very near producing pools or wells further away from gathering systems requiring relatively high capital to bring on production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Generally probable undeveloped reserves are those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. This category also includes probable reserves assigned to proved undeveloped locations.

The following tables set forth, for each product type identified, the volumes of proved undeveloped reserves and probable undeveloped reserves, respectively, attributed to the Company's properties in each of the financial years ended December 31, 2025, 2024 and 2023 and, in the aggregate, before that time, based on forecast prices and costs.

### Proved Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbl)		Heavy Crude Oil (Mbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Oil Equivalent (MBoe)	
	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End
2023	-	-	-	-	-	-	-	-	-	-
2024	2,211	2,716	-	-	7,342	9,017	103	126	3,538	4,345
2025	-	-	235	235	289	289	-	-	234	283

### Probable Undeveloped Reserves

Year	Light and Medium Crude Oil (Mbbbl)		Heavy Crude Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)		Oil Equivalent (MBoe)	
	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End	First Attributed <sup>(1)</sup>	Total at Year End
2023	-	-	-	-	-	-	-	-	-	-
2024	3,291	1,904	-	-	10,924	6,321	153	88	5,264	3,046
2025	214	214	57	57	780	780	10	10	355	411

*Note:*

(1) "First Attributed" refers to previously unassigned volumes that were attributed to proved undeveloped reserves as at year-end of the corresponding fiscal year.

Once identified, undeveloped reserves are generally scheduled into the Company's development plans. We pace our development programs to optimize the value of undeveloped reserves. This pace is affected by changing economic conditions (due to pricing, and operating or capital costs), changing technical conditions (production performance or new data from wells), changing design parameters (such as using horizontal wells, rather than vertical wells, to develop a field), infrastructure constraints (pipeline or facility limitations), and surface access (landowners, weather, and/or regulatory approval). All of the Company's estimated proved plus probable undeveloped reserves are located in the Princess and Michichi core areas. The Company currently plans to pursue the development of its proven and probable

undeveloped reserves over the next five years through ordinary course capital expenditures. The development of certain probable undeveloped reserves is scheduled to occur after certain proved reserves to accommodate the Company's development program, which needs to be spread out over several years to optimize capital allocation and facility utilization. The Company may choose to delay development depending on a number of circumstances, including the existence of higher priority expenditures, the outcomes of drilling and reservoir evaluations, prevailing commodity prices and a variety of economic factors and conditions. The Company has planned a program for the development of a portion of the undeveloped reserves in 2026, pending capital investment.

### ***Significant Factors or Uncertainties Affecting Reserves Data***

Uncertainties are inherent in estimating quantities of reserves, including as a result of many factors that are beyond the Company's control. Subsurface accumulations of crude oil, natural gas and NGLs cannot be precisely measured. Reserves estimation is an inferential science that requires significant judgments based on available geological, geophysical, engineering and economic data as well as forecasts of commodity prices and anticipated costs. The accuracy of any reserves estimate is necessarily a function of available data and its interpretation. Estimates by different engineers can vary, sometimes significantly, and the quantities of crude oil, natural gas and NGLs actually and ultimately recovered will vary from reserves estimates.

As circumstances change and additional data becomes available – whether through the results of drilling, testing and production or other reservoir performance indicators, economic factors such as changes in commodity prices or development and production costs, changes in tax or regulatory regimes, or otherwise – reserves estimates also change. Revisions may be positive or negative.

Other than as discussed herein and the various risks and uncertainties to which participants in the oil and gas industry are exposed generally, the Company has not identified significant economic factors or uncertainties that it expects to affect any particular components of the reserves data disclosed herein. See "Risk Factors".

### ***Additional Information Concerning Abandonment and Reclamation Costs***

The Company will incur abandonment and reclamation costs for surface leases, wells, facilities and pipelines, in connection with its operations. The Company budgets for and recognizes as a liability the estimated present value of the future decommissioning liabilities associated with its oil and gas assets. The overall abandonment and reclamation costs include all end-of-life costs associated with the process of restoring a property that has been disturbed by oil and gas activities to the standard required under applicable laws and regulatory requirements. These ongoing environmental obligations are expected to be funded with internally-generated cash flows.

Our method for estimating the amount and timing of future abandonment and reclamation expenditures was created at an operating area level, using the Company's own internal historical costs when available and historical industry costs where necessary or appropriate. If representative comparisons are not readily available, an estimate is prepared based on regulatory requirements. The provision for site restoration and abandonment is based on current legal and constructive requirements, technology, price levels, and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions, and changes in technology. For more information, see Note 2(d) (Use of Estimates and Judgments) in the Company's annual financial statements for the year ended December 31, 2025, available on Prairie Provident's website at [www.ppr.ca](http://www.ppr.ca) and under its issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

As at December 31, 2025, the Company had 708 gross (621 net) wells for which it expected to eventually incur abandonment costs, and 1,755 gross (1,558 net) wells for which it expected to eventually incur reclamation costs.

The economic forecasts involved in the reserves estimates contained in this AIF include estimated end-of-life costs to abandon, decommission and reclaim all our facilities, pipelines and wells to restore properties to the standard required under applicable laws and regulatory requirements ("**ADR costs**"), including undeveloped reserves locations and properties with no attributed reserves.

In its estimate of net present value of future net revenue of the Company's total proved and probable reserves as at December 31, 2025, the Trimble Report deducted \$26.0 million of estimated ADR costs discounted at 10% (\$106.5 million undiscounted and inflated over time), of which approximately 64% was attributed to inactive assets.

### ***Future Development Costs***

The following table sets forth total future development costs deducted in Trimble's estimation of future net revenue (based on forecast prices and costs) attributable to the reserves categories noted below.

<b>Year</b>	<b>Forecast Prices and Costs (\$000s) – Undiscounted</b>	
	<b>Proved Reserves</b>	<b>Proved Plus Probable Reserves</b>
2026	47,599	51,399
2027	42,738	46,206
2028	43,177	45,257
2029	-	25,469
2030	-	26,739
Total (undiscounted)	133,514	195,070

The Company currently expects that the capital required to fund estimated future development costs will be provided from its internally-generated cash flows, proceeds from non-core asset dispositions and, if necessary, issuance of equity or debt instruments. Costs of funding are not included in the reserves and future net revenue estimates and would reduce reserves and future net revenues to some degree depending upon the funding sources utilized. The Company does not, however, anticipate that costs of funding would make the development of any property uneconomic. We may in the future consider alternative sources of financing in light of new or changing circumstances.

Estimates of reserves and future net revenues have been made assuming that each property in respect of which the estimate is made will be developed, without regard to the likely availability to the Company of funding required therefor. There can be no guarantee that such funds will be available or that the Company will allocate funding to develop all of the reserves attributed in the Trimble Report. Failure to develop those reserves could have a negative impact on future cash flows from operations.

### **Other Oil and Gas Information**

#### ***Principal Properties***

Following is a description of our principal oil and natural gas properties, all of which are located onshore in Canada with close proximity to processing and transportation infrastructure.

#### *Michichi Area (Southeastern Alberta)*

The Michichi area is located northeast of Calgary in southeastern Alberta. As of December 31, 2025, we have an average working interest of approximately 78% in 188,028 gross (146,969 net) acres. This large land position offers an organic growth platform of medium grade oil and associated natural gas opportunities from both the Lower Cretaceous Mannville formations and the Mississippian Banff formations. During the year ended December 31, 2025, our average sales volumes in the Michichi area were approximately 1,365 boe per day (55% light/medium oil and NGLs). See "*Additional Information Relating to Reserves Data – Production History*". The Company believes that it can systematically continue to increase the area production with continued development and optimization.

#### *Princess Area (Southeastern Alberta)*

Our Princess properties are located in southern Alberta, approximately 85 kilometers northwest of Medicine Hat. As of December 31, 2025, we have an average working interest of approximately 90% in our Princess properties comprising 18,612 gross (16,729 net) acres. The primary zones of interest are the Glauconite, Detrital and Ellerslie

formations. During the year ended December 31, 2025, our Princess properties produced average sales volumes of approximately 592 boe per day (74% light/medium and heavy oil). See "*Additional Information Relating to Reserves Data – Production History*". The Company believes that it can systematically continue to increase the area production with continued development of these oil plays.

### ***Oil and Gas Wells***

The following table sets forth the number and status of wells in which the Company owned a working interest as of December 31, 2025. A wellbore with multiple completions is counted as only one well.

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing <sup>(1)</sup>		Producing		Non-Producing <sup>(1)</sup>	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	164	138	285	229	168	125	191	132
Saskatchewan			13	4			9	8
Northwest Territories							1	1
Total	164	138	298	233	168	125	201	141

Note:

(1) Non-producing wells include wells capable of producing, but not producing, at December 31, 2025. Non-producing wells do not include wells that have been abandoned.

### ***Properties With No Attributed Reserves***

The following table summarizes undeveloped acreage (unproved properties) in which the Company owned a working interest or held an exploration license as of December 31, 2025. Acreage related to royalty, overriding royalty and other similar interests, or related to options to acquire additional leasehold interests, is excluded from this summary.

	Undeveloped Acreage (unproved properties)	
	Gross	Net
Alberta	80,545	60,990
Saskatchewan	281	99
British Columbia	965	425
Northwest Territories	2,379	1,586
East Coast (offshore)	19,083	342
Total	103,253	63,442

As at December 31, 2025, 12,079 acres of our net undeveloped acreage was due to expire in 2026 if tenure is not extended by exploration or production activities.

Undeveloped acreage is unproved properties that have not been assigned reserves, and are mineral agreement specific. As of December 31, 2025, the Company did not have any other material work commitments related to its undeveloped acreage.

Our land holdings range from discovery areas where tenure is held indefinitely by hydrocarbon test results or production to exploration areas in the early stages of evaluation. The Company regularly reviews the economic viability and ranking of its unproved properties on the basis of commodity pricing, capital availability and allocation and level of infrastructure development in any specific area. From this process, some properties are scheduled for

economic development activities while others are temporarily held inactive, sold, swapped or allowed to expire and relinquished back to the mineral rights owner.

***Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves***

Prairie Provident does not anticipate any significant economic factors or significant uncertainties will affect any particular components of our properties with no attributed reserves, in any ways that are different from our other properties. Our decision to develop our properties with no attributed reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs and royalty regimes, all of which are beyond our control. There are no unusually significant abandonment and reclamation costs with our properties with no attributed reserves. See "– *Additional Information Relating to Reserves Data – Additional Information Concerning Abandonment and Reclamation Costs*" and "*Risk Factors*".

***Forward Contracts***

The Company is exposed to market risks from fluctuations in commodity prices, power prices, foreign exchange rates and interest rates in the normal course of operations, and maintains a risk management program to reduce the volatility of revenues, increase the certainty of funds from operations, and protect acquisition and development economics through hedging arrangements.

Information regarding the Company's hedging arrangements in effect as of December 31, 2025 is set forth in Note 21 (Financial Instruments, Fair Values and Risk Management) in the Company's annual financial statements for the year ended December 31, 2025, available on Prairie Provident's website at [www.ppr.ca](http://www.ppr.ca) and under its issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

***Tax Horizon***

The Company will not be required to pay cash income taxes for the year ended December 31, 2025. Based on current estimates of future taxable income and deductible expenditures, and available tax pools, the Company does not currently anticipate any material cash income taxes prior to 2035.

***Costs Incurred***

The following table summarizes the property acquisition, exploration, and development costs incurred by the Company for the year ended December 31, 2025.

<b>Expenditures</b>	<b>(\$000s)</b>
Property acquisition (disposition) costs (net) – proved properties	22
Property acquisition (disposition) costs (net) – unproved properties <sup>(1)</sup>	—
Exploration Costs <sup>(2)</sup>	—
Development Costs <sup>(3)</sup>	19,870
Capitalized G&A and other	250
Total	20,142

*Notes:*

- (1) Includes cost of land acquired and lease rentals on unproved properties.
- (2) Includes geological and geophysical costs and drilling and completion costs for exploratory wells.
- (3) Includes drilling and completion costs for development wells and equipping, tie-in and facility costs for all wells.

### Exploration and Development Activities

The Company drilled three Basal Quartz oil wells in Michichi, and one Ellerslie well in Princess, during the year ended December 31, 2025. See “Company Overview and Background – General Development of Our Business – Recent Developments”.

### Production Estimates

The following table sets forth the estimated 2026 production volumes reflected in Trimble's estimates of the Company's gross proved reserves, gross probable reserves, and gross proved plus probable reserves, respectively, as at December 31, 2025, as disclosed in the tables set forth under "Reserves Data" above, together with information regarding the portion of those estimated first-year production volumes attributed to the Michichi and Princess fields.

	Light and Medium Crude Oil (bbls/d)	Heavy Crude Oil (bbls/d)	Conventional Natural Gas (Mcf/d)	Coal Bed Methane (Mcf/d)	Natural Gas Liquids (bbls/d)	Total Oil Equivalent (boe/d)
<b>PROVED RESERVES</b>						
Princess	409	254	1,227	-	-	868
Michichi	1,855	-	8,044	-	126	3,322
Other Properties	189	36	1,507	-	27	503
Total Proved	2,454	290	10,778	-	153	4,693
<b>PROBABLE RESERVES</b>						
Princess	13	5	195	-	-	50
Michichi	236	-	769	-	12	375
Other Properties	9	1	159	-	3	38
Total Probable	257	5	1,122	-	14	464
<b>PROVED PLUS PROBABLE RESERVES</b>						
Princess	422	259	1,422	-	-	918
Michichi	2,091	-	8,813	-	137	3,697
Other Properties	198	37	1,665	-	29	541
Total Proved plus Probable	2,711	295	11,900	-	167	5,517

The Michichi field is the only property that accounted for 20% or more of the Company's estimated 2026 production as reflected in the Trimble Report.

### Production History

The following table summarizes, on a quarterly basis for the year ended December 31, 2025, certain information in respect of our production volumes, product prices received, royalties paid, production (operating) costs incurred and resulting netback (before hedging).

	Quarter Ended			
	March 31, 2025	June 30, 2025	Sept 30, 2025	Dec 31, 2025
<b>Average Daily Production <sup>(1)</sup></b>				
Light and Medium Crude Oil (bbls/d)	1,095	1,513	1,145	1,106
Heavy Crude Oil (bbls/d)	107	103	90	89
Conventional Natural Gas (Mcf/d)	5,271	5,967	5,566	5,264
Coal Bed Methane (Mcf/d)	303	293	294	282

	Quarter Ended			
	March 31, 2025	June 30, 2025	Sept 30, 2025	Dec 31, 2025
NGLs (bbls/d)	91	102	83	74
Combined (boe/d)	2,221	2,762	2,295	2,193
<b>Average Price Received <sup>(2)</sup></b>				
Light and Medium Crude Oil (\$/bbl)	86.94	75.11	76.47	66.95
Heavy Crude Oil (\$/bbl)	86.35	72.87	77.52	68.90
Conventional Natural Gas (\$/Mcf)	2.54	2.04	0.70	2.30
Coal Bed Methane (\$/Mcf)	0.38	0.41	0.16	0.24
NGLs (\$/bbl)	56.53	44.07	43.52	42.91
Combined (\$/boe)	55.39	49.96	44.49	43.55
<b>Royalties Paid</b>				
Light and Medium Crude Oil (\$/bbl)	10.97	8.83	9.02	8.00
Heavy Crude Oil (\$/bbl)	17.38	15.43	14.25	12.54
Conventional Natural Gas (\$/Mcf)	1.05	(1.44)	(0.96)	1.66
Coal Bed Methane (\$/Mcf)	0.20	0.24	0.14	0.10
NGLs (\$/bbl)	31.12	13.81	11.62	15.30
Combined (\$/boe)	7.37	5.14	4.92	5.53
<b>Production (Operating) Costs <sup>(3)(4)</sup></b>				
Light and Medium Crude Oil (\$/bbl)	29.17	26.66	30.93	36.87
Heavy Crude Oil (\$/bbl)	21.08	29.61	48.17	36.55
Conventional Natural Gas (\$/Mcf)	32.34	24.26	29.30	35.19
Coal Bed Methane (\$/Mcf)	2.04	2.96	4.44	1.73
NGLs (\$/bbl)	34.53	23.43	31.13	46.37
Combined (\$/boe)	29.64	25.37	30.39	35.75
<b>Netback Received <sup>(5)</sup></b>				
Light and Medium Crude Oil (\$/bbl)	46.80	39.62	36.51	22.09
Heavy Crude Oil (\$/bbl)	47.89	27.83	15.10	19.81
Conventional Natural Gas (\$/Mcf)	(30.84)	(20.77)	(27.64)	(34.54)
Coal Bed Methane (\$/Mcf)	(1.86)	(2.79)	(4.42)	(1.59)
NGLs (\$/bbl)	(9.13)	6.83	0.77	(18.77)
Combined (\$/boe)	18.38	19.45	9.18	2.27

Notes:

- (1) Before deduction of royalties.
- (2) Not including any realized losses/gains on the Company's forward contracts on crude oil and natural gas.
- (3) Operating costs are composed of direct costs incurred to operate both oil and natural gas wells. A number of assumptions are required to allocate these costs between product types.
- (4) Operating recoveries associated with operated properties are charged to operating costs and accounted for as a reduction to general and administrative costs.
- (5) Netbacks are calculated by subtracting royalties and production (operating) costs from revenues. Realized losses/gains on the Company's forward contracts on oil and natural gas are not considered in the calculation of netbacks.

The following table indicates our average daily net production volumes (by product type) from the Company's important fields for the year ended December 31, 2025.

	<b>Light and Medium Crude Oil (bbls/d)</b>	<b>Heavy Crude Oil (bbls/d)</b>	<b>Conventional Natural Gas (Mcf/d)</b>	<b>Coal Bed Methane (Mcf/d)</b>	<b>Natural Gas Liquids (bbls/d)</b>	<b>Total Oil Equivalent (boe/d)</b>
Princess	388	51	923	-	-	593
Michichi	695	-	3,673	49	65	1,380
Other Properties	131	46	1,165	-	23	394
<b>Total</b>	<b>1,214</b>	<b>97</b>	<b>5,761</b>	<b>49</b>	<b>88</b>	<b>2,367</b>

## INDUSTRY CONDITIONS

The oil and gas industry in Canada is subject to extensive controls and regulations imposed by various levels of government. These laws and regulations regulate, among other things, land tenure and the exploration, development, production, handling, storage, transportation and disposal of oil and gas, oil and gas by-products and other substances and materials produced or used in connection with oil and gas operations, and the decommissioning of oil and gas well sites and facilities. More particularly, matters subject to current governmental regulation and/or pending legislative or regulatory changes include the licensing for drilling and completion of wells, the method and ability to produce from wells, surface usage, transportation of production, conservation matters, the discharge or other release into the environment of wastes and other substances in connection with drilling and production activities (including fracture stimulation operations), bonds or other financial responsibility requirements to cover drilling contingencies and well plugging and abandonment costs, reports concerning our operations, the spacing of wells, unitization and pooling of properties, royalties and taxation. Failure to comply with the laws and regulations in effect from time to time may result in administrative, civil and criminal penalties, remedial obligations, loss or cancellation of governmental or regulatory approvals and injunctions or similar orders that could delay, limit or prohibit certain of our operations. We cannot predict the ultimate cost of compliance with these requirements or their effect on our operations.

Federal authorities do not regulate the price of oil and gas in export trade. Legislation exists, however, that regulates the quantities of oil, natural gas and natural gas liquids that may be removed from the provinces and exported from Canada in certain circumstances. In order to conserve supplies of oil and natural gas, these agencies may also restrict the rates of flow of oil and natural gas wells below actual production capacity. Further, a significant spill from one of our facilities could have a material adverse effect on our results, operations, competitive position or financial condition.

We do not expect that any of these regulatory controls and restrictions will affect our operations in a manner significantly different than they would affect other oil and gas companies of similar size. All current laws and regulations are a matter of public record and the Company is unable to predict what additional laws, regulations or amendments may be enacted.

### Pricing and Marketing in Canada

Producers are highly sensitive to commodity prices, which fluctuate in response to supply, demand and a number of other factors outside of the Company's control.

#### *Crude Oil*

In Canada, the producers of oil are entitled to negotiate sales contracts directly with oil purchasers. As a result, macroeconomic and microeconomic market forces determine the price of crude oil. Oil prices are primarily based on worldwide supply and demand, including as a result of the factors described below; however, regional market and transportation issues also influence prices. Specific prices depend in part on oil quality, prices of competing fuels,

distance to market, access to downstream transportation, value of refined products, length of contract term, weather conditions, the balance of supply and demand and other contractual terms.

Following the COVID-19 pandemic, oil markets began to rebalance in 2021 and continued to rebound into 2022 with a surge in oil prices in early 2022 primarily driven by the impact of the Russian invasion of Ukraine and the Organization of Petroleum Exporting Countries ("OPEC+") decision to adhere to previously agreed-upon production cuts. Additionally, the global economic conditions and outlook improved due to reducing and easing COVID-19 restrictions. Since June of 2023, OPEC+ producers have to target lower oil supply and voluntary production cuts in order to stabilize the price of oil. The voluntary production cuts were extended in December 2024, with a plan to gradually phase out these adjustments by the latter half of 2026. While the trajectory of oil prices continue to be subject to uncertainty and volatility, factors such as transportation disruptions, supply constraints and the geopolitical conflict continue to be unpredictable and may have an ongoing impact on oil demand and prices. See "*Risk Factors*" below.

### *Natural Gas*

Negotiation between buyers and sellers determines the price of natural gas sold in intra-provincial, interprovincial and international trade. The price received by a natural gas producer depends, in part, on the price of competing natural gas supplies and other fuels, natural gas quality, distance to market, availability of transportation, length of contract term, weather conditions, supply and demand balance and other contractual terms. Spot and future prices can also be influenced by supply and demand fundamentals on various trading platforms.

### *Natural Gas Liquids*

The pricing of condensates and other NGLs such as ethane, butane, propane and pentane plus sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. Such prices depend, in part, on the quality of the NGL, price of competing chemical stock, distance to market, access to downstream transportation, length of contract term, supply and demand balance and other contractual terms.

## **Oil and Gas Exports from Canada**

Pursuant to the Canadian Energy Regulator Act (the "CERA"), the Canadian Energy Regulator (the "CER") regulates the export of crude oil, natural gas and NGLs from Canada through the issuance of short-term orders and long-term export licences. Exporters are generally free to negotiate prices and other terms with purchasers, provided that they comply with applicable reporting requirements and other criteria prescribed by the CER and the federal government. Prairie Provident does not directly enter into contracts to export its production outside Canada.

Over the past year, tariffs and other trade measures affecting trade between Canada and the United States have added complexity to cross-border energy trade. The U.S.-Canada tariff environment can be described as remaining volatile, with ongoing uncertainty regarding whether crude oil, natural gas and NGL exports to the United States could ultimately be subject to tariffs or other trade measures. As a result, export costs, market access and demand for Canadian energy products may be affected.

At the same time, Canada has expanded certain oil and gas export capacity beyond the United States. The completion of the Trans Mountain Expansion has enabled increased seaborne crude oil shipments, and Canada's first large-scale LNG export terminal began operations in mid-2025, improving access to global natural gas markets. Notwithstanding these developments, the United States remains the largest customer for Canadian energy products and remains critically important to Western Canadian pricing and market access.

As discussed in more detail below, one major constraint to the export of crude oil, natural gas and NGLs outside of Canada is the deficit of overall pipeline and other transportation capacity to transport production from Western Canada to the United States and other international markets. Although certain pipeline and other transportation projects are underway, many contemplated projects have been cancelled or are delayed due to regulatory hurdles, court challenges and economic and other socio-political factors. The transportation capacity deficit is not likely to be resolved quickly. Major pipeline and other transportation infrastructure projects typically require a significant length of time to complete once all regulatory and other hurdles have been cleared. In addition, production of crude oil, natural gas and NGLs in Canada is expected to continue to increase, which may further exacerbate the transportation capacity deficit.

### **Transportation Constraints, Pipeline Capacity and Market Access**

Despite having significant capacity to move crude oil, natural gas and NGLs from Western Canada, much of this transportation infrastructure is oriented toward the United States. As a result, market access remains constrained because limited capacity is available for deliveries to Eastern Canada and overseas markets. This reliance on U.S.-bound infrastructure continues to restrict Canada's ability to diversify export destinations. Many proposed projects that could broaden access have been cancelled or delayed due to regulatory hurdles, court challenges and economic or socio-political factors.

In Canada, producers negotiate with pipeline operators to transport their products to market on a firm, spot or interruptible basis depending on the pipeline and the substance. Transportation availability is highly variable across jurisdictions and regions and can determine the nature of transportation commitments available, the number of potential customers and the price received.

Under Canadian constitutional law, the development and operation of interprovincial and international pipelines fall within the Federal Government's jurisdiction. Under the CERA, new interprovincial and international pipelines require a federal regulatory review and Cabinet approval before they can proceed. Even when projects are approved, they may face delays due to actions taken by provincial and municipal governments and legal opposition related to issues such as Indigenous rights and title, the government's duty to consult and accommodate Indigenous Peoples and the sufficiency of environmental review processes and assessments. Export pipelines from Canada to the United States face additional unpredictability as such pipelines may also require approvals from various levels of government in the United States.

On June 26, 2025, the Federal Government enacted the Building Canada Act, which is intended to streamline reviews and approvals and simplify the federal decision-making process for major infrastructure projects designated as projects of national interest. In August 2025, the Federal Government launched the Major Projects Office (the "MPO"), which is intended to help identify such projects and assist in fast-tracking their development. On November 27, 2025, the Federal Government and the Government of Alberta signed a memorandum of understanding to collaborate on supporting the development of oil and gas resources, renewable energy, critical minerals and other resource sectors in Western Canada.

The Trans Mountain expansion began operating in May 2024 and has increased access for crude oil deliveries to the west coast. For natural gas, LNG Canada's Phase I export facility commenced LNG exports in mid-2025. Notwithstanding these developments, transportation constraints, pipeline apportionment, maintenance outages,

storage limitations and delays affecting proposed infrastructure may continue to adversely affect market access and pricing for Western Canadian producers.

### ***Natural Gas and Liquefied Natural Gas (LNG)***

Natural gas prices in Alberta and British Columbia have been constrained in recent years due to increasing North American supply, limited access to markets, and limited storage capacity. Companies that secure firm access to infrastructure to transport their natural gas production out of Western Canada may be able to access broader markets and obtain better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada for their natural gas, which in the last several years has generally been depressed (at times producers have received negative pricing for their natural gas production). Required repairs or upgrades to existing pipeline systems in Western Canada have led to further reduced capacity and apportionment of access, the effects of which have been exacerbated by storage limitations. In August 2023, TC Energy sought regulatory approval for a potential minority interest sale of its NOVA Gas Transmission Ltd. (“**NGTL**”) pipeline network (the “**NGTL System**”). In July 2024, TC Energy announced that it had signed a deal with a consortium of Indigenous communities to sell a minority interest in the NGTL System for \$1 billion, backed by the Alberta Indigenous Opportunities Corporation. However, in September 2024, TC Energy announced that the deal had been delayed due to a transaction structuring issue within the NGTL partnership. On January 26, 2024, the Biden administration announced a temporary pause on pending decisions on exports of LNG to non-free trade agreement countries until the US Department of Energy can update the underlying analysis for authorizations. In January 2025 the Trump administration ended the pause, resuming processing export permit applications for new LNG projects. It is uncertain at this time the effect this may have on Canadian LNG export projects, including demand for the export of LNG. Development of both provincial and federal net zero frameworks may also impose restrictions on natural gas and LNG projects in Canada, particularly as provincial and federal governments work to achieve emissions reduction targets.

### **International Trade Agreements**

#### ***NAFTA/USMCA***

The North American Free Trade Agreement that previously existed among the governments of Canada, the United States and Mexico was replaced in 2020 by a new trade agreement, widely referred to as the United States Mexico Canada Agreement (the “**USMCA**”) and sometimes referred to as the Canada United States Mexico Agreement.

Article 34.7 of the USMCA requires the three signatory countries to hold a joint review of the agreement six years after its entry into force, which is July 1, 2026. The exact procedure for conducting the review remains undecided and there is no precedent to follow. As the review date is approaching, the three signatory countries have begun internal reviews and consultations. As the United States remains Canada's primary trading partner and the largest international market for the export of crude oil, natural gas and NGL from Canada, any changes to the USMCA could have an impact on Western Canada's oil and natural gas industry at large, including the Company's business.

On March 4, 2025, the United States announced a 25% broad-based tariff on goods exported out of Canada into the United States, other than energy products (including oil and natural gas), which would be subject to a 10% tariff. In response, the Canadian government announced that it would impose a 25% tariff on \$155 billion of goods imported from the United States. The United States also announced a 25% tariff on goods imported from Mexico and increased its tariff on goods imported from China to 20%. Representatives of the United States government have also publicly stated that they are considering imposing tariffs on goods imported from other countries. On March 6, the United States paused tariffs on USMCA-compliant goods from Canada and Mexico until April 2, 2025, though a 25% tariff on steel and aluminum imported from all countries (including Canada) took effect on March 12, 2025. On April 2, 2025, the pause on United States tariffs for USMCA-compliant goods from Canada and Mexico is set to expire, meaning the 25% tariff on most goods (10% on Canadian energy products) could resume at such time.

Discussions may continue regarding a potential economic arrangement between the two countries, however, there remains significant uncertainty over the scope, impact, and duration of the imposed tariffs, surtaxes, or other restrictive trade measures or countermeasures which may be enforced, including any expansion or further tariffs which may be imposed. Potential further measures could include, among others, increased tariffs on Canadian energy exports, restrictions on cross-border supply chains, or additional regulatory barriers to trade. The full effects of the imposed

tariffs on the oil and natural gas industry and specifically the Company's business are unknown at this time. See "Risk Factors – Emerging Risks" and "Risk Factors – Commodity Prices, Markets and Marketing".

### ***Other Trade Agreements***

The Canadian Free Trade Agreement (the "CFTA") is an intergovernmental trade agreement signed by Canadian ministers representing the federal government and all 13 provinces and territories with the objective of reducing and eliminating, to the extent possible, barriers to the free movement of persons, goods, services and investments with Canada and to establish an open, efficient and stable domestic market.

Canada has also pursued other international free trade agreements with countries around the world and, as a result, a number of free trade or similar agreements are in force between Canada and certain other countries. Canada and the European Union agreed to the Comprehensive Economic and Trade Agreement ("CETA"), which provides for duty-free, quota-free market access for Canadian crude oil and natural gas products to the European Union, although it has not received full ratification by national legislatures in the European Union.

Following the United Kingdom's departure from the European Union ("Brexit") on January 31, 2020, the United Kingdom and Canada agreed to an interim post-Brexit trade agreement, the Canada-United Kingdom Trade Continuity Agreement (the "CUKTCA"). The CUKTCA replicates CETA on a bilateral basis and is meant to maintain the status quo of the Canada-United Kingdom trade relationship. On January 25, 2024, the United Kingdom formally notified Canada that it had paused negotiations for a new free trade agreement, though the CUKTCA remains in force.

Canada and 10 other countries signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the "CPTPP") which allows for preferential market access among its parties. The CPTPP is in force among: Canada, Australia, Japan, Mexico, New Zealand, Singapore, Vietnam, Peru, Malaysia, Chile and Brunei Darussalam. As other countries ratify the agreement, they are added to the annexes. The CPTPP facilitates temporary entry to Canada for certain categories of business persons who are citizens of other countries which are signatories to the CPTPP.

While it is uncertain how the CFTA, CETA, CPTPP, CUKTCA or any other trade agreements may impact the oil and natural gas industry in Canada in any given year, the completion of the Trans Mountain Pipeline expansion and anticipated completion of LNG Canada's Kitimat facility may facilitate shipping access to these markets for Canadian producers. However, even with these projects, the infrastructure for the offshore export of crude oil and natural gas remains constrained and may limit the ability of Canadian crude oil and natural gas producers to benefit from such trade agreements.

### **Land Tenure**

With the exception of Manitoba, where the majority of oil and gas rights are held privately, provincial governments in Western Canada own most of the mineral rights to the oil and natural gas located within their respective provincial borders. Rights are granted to energy companies to explore for and produce oil and natural gas pursuant to leases, licenses and permits and regulations as issued by the applicable governments. Lease terms vary in length, but usually range from two to five years. Other terms and conditions to maintain a mineral lease are set out in the relevant legislation or are negotiated.

Continuing interests in petroleum and natural gas licenses are earned by the drilling of a well. A lease is proven productive at the end of its initial term by drilling, producing, mapping, being part of a unit agreement or by paying offset compensation. If a lease is proven productive, it will continue indefinitely beyond its initial term. The tenure only comes to an end when the holder can no longer prove its well is capable of producing oil or gas.

Many jurisdictions in Canada, including Alberta and British Columbia, have legislation in place for mineral rights reversion to the Crown of stratigraphic formations that cannot be shown to be capable of production at the end of the primary lease term. Such legislation may also include mechanisms available to energy companies to "continue" lease terms for non-productive lands, having met certain criteria as laid out in the relevant legislation.

Certain oil and natural gas mineral interests are privately owned. Rights to explore for and produce on such lands are granted by leases on such terms and conditions as may be negotiated between the landowner and the lessee.

## **Royalties and Incentives**

### ***General***

In addition to federal regulation, each province has legislation and regulations which govern royalties, production rates and other matters. The royalty regime in a given province is a significant factor in the profitability of crude oil, natural gas liquids, sulphur and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is also subject to certain provincial taxes. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are, from time to time, carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests, or net carried interests.

Occasionally the governments of the Western Canadian provinces have established incentive programs for exploration and development. Such programs may provide for royalty reductions, credits or holidays, and are generally introduced when commodity prices are low to encourage exploration and development activity. Additional programs may be introduced to encourage producers to prioritize certain kinds of development or undertake initiatives using new technologies that may enhance or improve recovery of crude oil, natural gas and NGLs or improve environmental performance.

The federal government also creates incentives and other financial aid programs intended to assist businesses operating in the petroleum and natural gas industry. Recently, these programs, have included but are not limited to: programs that provide direct financial support to companies operating in the petroleum and natural gas industry and/or targeted funding for various initiatives related to industry diversification and environmental matters, including those programs created in response to the COVID-19 pandemic, administered through federal agencies such as the Business Development Bank of Canada, Natural Resources Canada, Export Development Canada, and Innovation, Science and Economic Development Canada and funding administered by certain provinces to address the cleanup of inactive wells, pipelines and facilities such as Alberta's Site Rehabilitation Program.

Incentive programs are often of limited duration and target specified activities, and may be amended or removed at any time.

### ***Alberta – Royalties***

All the Company's current oil and gas production is from properties located in Alberta.

With respect to production from Crown lands, royalties are payable to the Province of Alberta. With respect to production from freehold lands, royalties are payable to the mineral owner and taxes are payable to the Province of Alberta. The Government of Alberta's approach to the royalty and tax regime is regularly reviewed for compliance with the purpose of the regimes; to ensure that Albertans are receiving a fair share from energy development through royalties, taxes and fees.

The Modernized Royalty Framework for Alberta ("**MRF**") formally took effect on January 1, 2017 for new wells drilled after this date. The previous royalty framework (the "**Old Framework**") will continue to apply to wells drilled prior to January 1, 2017 for a period of ten years ending on December 31, 2026. After the expiry of this ten-year period, these older wells will become subject to the MRF. The *Royalty Guarantee Act* (Alberta), which came into effect on July 18, 2019, provides that no major changes will be made to the current crude oil and natural gas royalty structure for a period of at least 10 years.

The MRF applies to all hydrocarbons other than oil sands which will remain subject to their existing royalty regime. Royalties on production from non-oil sands wells under the MRF is determined on a "revenue-minus-costs" basis with the cost component based on a drilling and completion cost allowance formula for each well, depending on its vertical depth and horizontal length. The formula is based on the industry's average drilling and completion costs as determined by the Alberta Energy Regulator ("AER") on an annual basis.

Producers pay a flat royalty rate of 5% of gross revenue from each well that is subject to the MRF until the well reaches payout. Payout for a well is the point at which cumulative gross revenues from the well equals the Drilling and Completion Cost Allowance for the well set by the AER. After payout, producers pay an increased post-payout royalty on revenues of between 5% and 40% for crude oil and pentanes and 5% and 36% for methane, ethane, propane and butane, all determined by reference to the then current commodity prices of the various hydrocarbons. Similar to the Old Framework, the post-payout royalty rate under the MRF varies with commodity prices. Once production in a mature well drops below a threshold level where the rate of production is too low to sustain the full royalty burden, its royalty rate is adjusted downward towards a minimum of 5% as the mature well's production declines.

As the MRF uses deemed drilling and completion costs in calculating the royalty and not the actual drilling and completion costs incurred by a producer, low cost producers benefit if their well costs are lower than the drilling and completion cost allowance and, accordingly, they continue to pay the lower 5% royalty rate for a period of time after their wells achieve actual payout.

The Old Framework is applicable to all conventional oil and natural gas wells drilled prior to January 1, 2017 and bitumen production. Subject to certain available incentives, effective from the January 2011 production month, royalty rates for conventional oil production under the Old Framework range from a base rate of 0% to a cap of 40%. The Old Framework also includes a natural gas royalty formula which provides for a reduction based on the measured depth of the well below 2,000 metres deep, as well as the acid gas content of the produced gas. Subject to certain available incentives, effective from the January 2011 production month royalty rates for natural gas production under the Old Framework range from a base rate of 5% to a cap of 36%. Under the Old Framework, the royalty rate applicable to natural gas liquids is a flat rate of 40% for pentanes and 30% for butanes and propane.

The Government of Alberta has from time to time implemented drilling credits, incentives or transitional royalty programs to encourage crude oil and natural gas development and new drilling. In addition, the Government of Alberta has implemented certain initiatives intended to accelerate technological development and facilitate the development of unconventional resources, including as applied to coalbed methane wells, shale gas wells and horizontal crude oil and natural gas wells. In addition to royalties, producers of crude oil and natural gas from Crown lands in Alberta are also required to pay annual rental payments, at a rate of \$3.50 per hectare.

The AER has established the Orphan Fund, funded by oil and gas companies, to cover the cost of cleaning up orphaned wells and facilities where the owner cannot be located or has gone out of business. The program requires each oil and gas licensee to pay an annual levy calculated based on their estimated cost of decommissioning their inventory.

The tax levied in respect of freehold oil and gas production in Alberta is calculated annually. The formula accounts for the amount of production, the hours of production, unit value, the tax rate, the percentages that the owners hold in the title and the percentages that the title and well hold in the production entities being taxed.

## **Environmental Regulation**

The Canadian oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation, all of which is subject to governmental review and revision from time to time. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations, such as sulphur dioxide and nitrous oxide. The regulatory regimes set out the requirements with respect to oilfield waste handling, disposal and storage, habitat protection and the satisfactory operation, maintenance, abandonment, remediation and reclamation of well, facility and pipeline sites. Compliance with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability and the imposition of material fines and penalties. In addition to these specific, known requirements, future changes to environmental legislation, including

anticipated legislation for air pollution and greenhouse gas ("GHG") emissions, may impose further requirements on operators and other companies in the oil and natural gas industry.

Prairie Provident has established internal guidelines to be followed in order to comply with environmental laws and regulations in the jurisdictions in which the Company operates. The Company ensures that its operations are carried out in accordance with applicable environmental requirements, guidelines and safety precautions. Although the Company maintains pollution insurance against the costs of cleanup operations, public liability, and physical damage, there is no assurance that such insurance will be adequate to cover all such costs or that such insurance will continue to be available in the future.

### ***Federal***

Canadian environmental regulation is the responsibility of the federal and provincial governments. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law will prevail, although such conflicts are uncommon. The federal government has primary jurisdiction over federal works, undertakings and federally regulated industries, including interprovincial and international pipelines. The Canadian Environmental Protection Act, 1999 continues to provide a core part of the federal environmental protection framework. In 2019, with the enactment of Bill C-69, the Canadian Energy Regulator Act and the Impact Assessment Act came into force and the National Energy Board Act and Canadian Environmental Assessment Act, 2012 were repealed. The Impact Assessment Act established the Impact Assessment Agency of Canada, while the Canadian Energy Regulator Act replaced the National Energy Board with the Canadian Energy Regulator.

In August 2019, with the passing of Bill C-69, the CERA and the Impact Assessment Act ("IAA") came into force and the NEB Act and the Canadian Environmental Assessment Act, 2012 were repealed. The IAA established the Impact Assessment Agency of Canada ("**IA Agency**"), which replaced the Canadian Environmental Assessment Agency and is tasked with leading and coordinating impact assessments for all designated projects, including those previously administered by the NEB. The new legislation expanded the assessment considerations beyond the environment to expressly include health, economic, social and gender impacts, as well as considerations related to sustainability and Canada's climate change commitments. The CERA replaced the NEB with the CER, and modified the CER's role in federal impact assessments.

Bill C-69 introduced a number of important changes to the regulatory regime for federally regulated major projects and associated environmental assessments. Designated projects may require an impact assessment as part of their regulatory review. The impact assessment, conducted by a review panel, jointly appointed by the CER and the IA Agency, includes expanded criteria the review panel may consider when reviewing an application. The impact assessment also requires consideration of the project's potential adverse effects, the overall societal impact and the expanded public interest that a project may have. The IA Agency must look at the direct result of the project's construction and operation, including environmental, biophysical and socio-economic factors, including consideration of a gender-based analysis, climate change, and impacts to Indigenous rights. Designated projects include pipelines that require more than 75 kilometers of new right of way and pipelines located in national parks. Large scale in situ oil sands projects not regulated by provincial GHG emissions and certain refining, processing and storage facilities will also require an impact assessment.

There is significant uncertainty surrounding the impact of Bill C-69 on oil and natural gas projects. There was significant opposition from industry and others in respect of Bill C-69, and notwithstanding its stated purpose, there is concern that the changes brought about by Bill C-69 will result in projects not being approved or increased delays in approvals. The Government of Alberta, supported by the governments of Ontario and Saskatchewan, challenged the constitutionality of the IAA and requested that the federal legislation be invalidated on the basis that it encroaches on provincial jurisdiction. In October 2023, the SCC released its decision which held portions of the IAA to be unconstitutional. Certain amendments to the IAA came into force on June 20, 2024 in response to that decision.

On June 21, 2021, the United Nations Declaration on the Rights of Indigenous Peoples Act received Royal Assent and immediately came into force. Bill C-15 is the Government of Canada's response to requests to implement the United Nations Declaration of the Rights of Indigenous Peoples as a framework for reconciliation in Canada. This has contributed to increased focus on Indigenous consultation.

## ***Provincial***

The discharge of pollutants into the air, soil or water may give rise to liabilities, impact the Company's ability to operate and may require the Company to incur costs to remedy such discharge in the event that they are not covered by the Company's insurance. Although the Company maintains insurance to industry standards, which in part covers liabilities associated with discharges, it is not certain that such insurance will cover all possible environmental events, foreseeable or otherwise, or whether changing regulatory requirements or emerging jurisprudence may render such insurance of little benefit. In addition to these specific, known requirements, future changes to environmental legislation, including anticipated legislation for air pollution and GHG emissions, may impose further requirements on operators in the oil and gas industry.

### **Liability Management Programs**

The AER oversees liability management in the province. Following the replacement of Alberta's Liability Management Program ("**AB LMR Program**"), the AER continues to implement its Liability Management Framework ("**AB LMF**"). The primary goals of the AB LMF are to assist in addressing the Orphan Well Association's ("**OWA**") inventory and create a framework and regulatory scheme that will better manage site reclamation throughout the lifecycle of a project.

As a result of the SCC decision in *Orphan Well Association v Grant Thornton Ltd.* (the "**Redwater Decision**"), receivers and trustees can no longer avoid the AER's legislated authority to impose abandonment orders against licensees or to require a licensee to pay a security deposit before approving a transfer when such a licensee is subject to formal insolvency proceedings. This means that insolvent estates can no longer disclaim assets that have reached the end of their productive lives (and therefore represent a net liability) in order to deal primarily with the remaining productive and valuable assets without first satisfying any abandonment and reclamation obligations associated with the insolvent estate's assets. The *Liabilities Management Statutes Amendment Act* places the burden of a defunct licensee's abandonment and reclamation obligations first on the defunct licensee's working interest partners, and second, the AER may order the orphan fund (the "**Orphan Fund**") to assume care and custody and accelerate the clean-up of wells or sites that do not have a responsible owner. Alberta's *Oil and Gas Conservation Act* ("**OGCA**") established an Orphan Fund, which is run by the OWA to help pay the costs to suspend, abandon, remediate, and reclaim a well, facility, or pipeline if a licensee or working interest participant becomes insolvent or is unable to meet its obligations.

The Orphan Fund was originally conceived to be bankrolled exclusively by licensees in the former Alberta Licensee Liability Rating Program (the "**AB LLR Program**") and Alberta Oilfield Waste Liability Program (the "**AB OWL Program**"), who contributed to a levy administered by the AER. However, the Government of Alberta has loaned the Orphan Fund approximately \$335 million. The Government of Alberta has also covered \$113 million in levy payments that licensees would otherwise have owed to the Orphan Fund, corresponding to the levy payments due for the first six months of the AER's fiscal year. On March 28, 2024, the AER published *Bulletin 2024-08* prescribing an Orphan Fund Levy of \$135 million for the 2024/25 fiscal year. Collectively, these programs were designed to minimize the risk to the Orphan Fund posed by the unfunded liabilities of licensees and to prevent the taxpayers of Alberta from incurring costs to suspend, abandon, remediate, and reclaim wells, facilities, or pipelines. Under the AB LMF, the OWA has broader authority to assist in the reclamation and remediation of wells, facilities, or pipelines.

Following the *Redwater Decision*, Alberta committed to actively reducing inventories of orphan and inactive well sites in the province. The AB LMF addresses five key components supporting a lifecycle approach to liability management: (i) practical guidance and support for distressed operators; (ii) a licensee capability assessment system to provide proactive support through ongoing financial capability review; (iii) mandatory spend targets to support inventory reduction; (iv) a process to address legacy and post-closure sites or sites that were remediated, reclaimed, or abandoned prior to the AB LMF; and (v) the OWA taking on a more involved role in managing clean-up of oil and natural gas facilities and infrastructure.

On October 8, 2024, the AER announced an invitation for feedback on revised liability directives, specifically considering the potential rescinding of Directive 006: *Licensee Liability Rating Program*, Directive 024: *Large Facility Liability Management Program (LFP)*, and Directive 075: *Oilfield Waste Liability (OWL) Program*. Among other changes under the AB LMF, the AB LLR Program and security deposit collection for licence transfer have been

replaced with the Licensee Capability Assessment System, which is intended to be a more comprehensive assessment of corporate health and will consider a wider variety of factors than those considered under the AB LLR Program. It will establish clear expectations for industry with regard to the management of liabilities throughout the entire lifecycle of crude oil and natural gas projects. Importantly, the AB LMF provides proactive support to distressed operators and requires companies operating in Alberta's petroleum and natural gas industry to make mandatory annual minimum payments toward outstanding reclamation obligations in accordance with five-year rolling spending targets. Under the AB LMF, each licensee is required to meet mandatory annual spend targets for well closures and abandonments.

Following the public comment period in the fall of 2024, on February 7, 2025, the AER introduced updates to the AB LMF, which took effect immediately upon publication. One of the most notable changes is the removal of the AB LMR Program. In addition, the immediate effects of these regulatory updates on the industry are pronounced in license transfers. The updated framework expands the classification of crossover times for "producer" licensees from three to four categories and generally raises the security ranges across all combinations of financial health and crossover timelines. This suggests a trend toward more stringent security demands for a broader range of transactions, potentially indicating an uptick in the security requirements that will accompany future license transfers.

Pursuant to the AER's inventory reduction program implemented under Directive 088: *Licensee Life-Cycle Management*, licensees are required to meet closure spend requirements aimed at mitigating liabilities associated with inactive and orphan wells. The AER prescribes an industry-wide closure spend requirement each year. A licensee's mandatory closure spend is calculated using a licensee's proportion of industry-wide inactive liability and their level of financial distress determined by the licensee capability assessment. The rate for 2024 was 6.6% and the rate for 2025 is 6.2% of a licensee's deemed inactive liability. A lower spend rate is applied for licensees with a high level of financial distress (3.3% for 2025). The industry-wide closure spend requirement for 2024 was set at \$700 million, and the 2025 requirement is set at \$750 million.

The AB LMF continues to be implemented by the AER with gradual and phased changes to legislative, regulatory, and AER directives required to effectively implement the AB LMF.

### **Climate Change Regulation**

Climate change regulation at both the federal and provincial level has the potential to significantly affect the regulation of the oil and gas industry in Canada. It is not currently possible to predict the full impact of future requirements with certainty. New laws and regulations, or changes to existing laws and regulations, could increase compliance costs, restrict operations or otherwise have a material effect on Prairie Provident's business, financial condition, results of operations and prospects.

#### ***Federal***

The federal government has adopted a range of measures intended to reduce greenhouse gas emissions, including carbon pricing, clean fuel regulation and other climate-policy initiatives. The Greenhouse Gas Pollution Pricing Act establishes a national framework for carbon pricing. Although the federal fuel charge was eliminated effective April 1, 2025, other federal climate-related regulatory regimes continue to apply.

On June 21, 2022, the Clean Fuel Regulations came into force. They require liquid fossil fuel primary suppliers to reduce the carbon intensity of liquid fossil fuels they produce in and import into Canada and establish a compliance credit market. On November 4, 2024, the federal government released proposed Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations, which would establish a cap-and-trade system applicable to a wide range of oil and gas activities. To date, those regulations have not been implemented. The future status, timing and form of any such emissions cap remain uncertain.

#### ***Alberta***

Alberta's Technology Innovation and Emissions Reduction ("TIER") regime applies to regulated emitters in the province and has undergone various amendments and program updates intended to maintain alignment with federal benchmark stringency requirements. Alberta also enacted methane reduction requirements and achieved its 45%

methane reduction target ahead of schedule. Prairie Provident may be affected, directly or indirectly, by future changes to TIER, methane requirements, carbon pricing mechanisms, emissions intensity benchmarks and other provincial climate regulation.

## CAPITAL STRUCTURE AND OUTSTANDING SECURITIES

### Share Capital

The authorized share capital of Prairie Provident consists of an unlimited number of Common Shares. Effective December 31, 2025, the Company implemented a 30-to-1 consolidation of its outstanding Common Shares on the basis of one post-consolidation Common Share for every 30 pre-consolidation Common Shares. As a result of the Consolidation, the number of outstanding Common Shares was reduced from 1,401,575,636 pre-consolidation Common Shares to approximately 46,719,000 post-consolidation Common Shares as at the effective date of the consolidation, subject to adjustment for rounding. As of the date of this AIF, 46,746,653 post-consolidation Common Shares were outstanding as fully paid and non-assessable shares.

Holders of Common Shares are entitled to receive notice of and to vote (on the basis of one vote for every share held) at meetings of Prairie Provident shareholders, and subject to any priorities attaching to any future class of shares, the right to receive any dividend declared by Prairie Provident and to share rateably in any distribution of its remaining property on dissolution.

The Common Shares are the only voting securities of Prairie Provident.

### Dividends

Prairie Provident has not paid any dividends on the Common Shares. Future dividends, if any, will be at the discretion of the Board of Directors, and any decision in respect thereof will be made based on the Company's operating results, cash flow, financial condition and funding requirements for ongoing operations and capital expenditures, and such other business factors and considerations as the Board of Directors considers relevant.

Prairie Provident does not anticipate paying dividends in the near term as cash flow will be reinvested in the Company's assets and operations.

### Convertible Securities

As of the date of this AIF, the outstanding securities of Prairie Provident that are exercisable for or convertible into Common Shares include: (i) the share purchase warrants forming part of the Recapitalization Equity Financing Units issued and sold in the Recapitalization Equity Financing, and the Recapitalization Equity Financing Broker Warrants issued in connection therewith, as more particularly described above under "*Company Overview and Background – General Development of our Business – Recapitalization*"; (ii) the share purchase warrants forming part of the 2025 LIFE Offering Units issued and sold in the 2025 Equity Offerings, and the 2025 Broker Warrants issued in connection therewith, as more particularly described above under "*Company Overview and Background – General Development of our Business – Recent Developments*"; (iii) the warrants issued on October 31, 2025 to the purchaser in connection with the preferred share financing, entitling the holder to acquire, for no additional consideration, an aggregate of 379,024,000 pre-consolidation Common Shares (12,634,133 post-consolidation Common Shares), exercisable upon redemption or retraction of the Preferred Shares or upon a Liquidity Event, subject to adjustment in certain events, and becoming exercisable for 1.5 Common Shares per warrant if Prairie Provident does not obtain or effect the requested preferred share substitution, as more particularly described above under "*Company Overview and Background – General Development of our Business – Recent Developments*"; and (iv) incentive awards granted and outstanding under Prairie Provident's security-based compensation arrangements and held by directors, officers and employees. All share numbers and exercise prices in this section should be read as giving effect to the Consolidation, including the proportionate adjustments required to the Company's outstanding warrants, broker warrants, stock options, restricted share units and deferred share units.

In addition, 264,848 Class A preferred shares of PPRC are outstanding. The Preferred Shares are non-voting (except as required by applicable law), rank senior to all other classes of PPRC equity, and carry an 8% annual yield accruing daily and compounded annually. The original issue price plus accrued yield is payable upon redemption or retraction of the Preferred Shares, or upon a Liquidity Event. In the circumstances of a Liquidity Event, the holder has a put right to require that PPRC or Prairie Provident, as applicable, acquire the Preferred Shares for such amount, payable at the holder's option in cash or Common Shares based on their market value at the time.

Outstanding post-consolidation incentive awards at the date of this AIF are comprised of: (i) 2,091,494 post-consolidation incentive stock options held by officers and employees, each exercisable for one Common Share at a specified exercise price, subject to vesting in accordance with their terms; (ii) 66,664 post-consolidation deferred share units (DSUs) held by directors, each entitling the holder to receive, on settlement following cessation of service, one Common Share or the cash equivalent thereof; and (iii) 132,665 post-consolidation restricted share units (RSUs) held by officers and employees, each entitling the holder to receive, subject to vesting in accordance with their terms, on settlement thereafter, one Common Share or the cash equivalent thereof.

### Escrow

To the knowledge of the directors and executive officers of the Company, other than restrictions applicable to the transfer of incentive awards, there are no securities of Prairie Provident held in escrow or subject to a contractual restriction on transfer.

### Market for Securities

The Common Shares commenced trading on the TSX on September 16, 2016 under the symbol "PPR".

### Price Range and Trading Volume

The following table sets out the reported high and low trading prices (which are not necessarily the closing prices) and aggregate trading volumes for the Common Shares on the Toronto Stock Exchange, as reported by Yahoo Finance, for the periods indicated.

	Price Range (\$)		Trading Volume
	High	Low	
January 2025	1.80	1.35	130,923
February 2025	1.65	1.20	150,816
March 2025	1.50	0.90	128,825
April 2025	1.05	0.90	51,459
May 2025	1.05	0.75	118,560
June 2025	1.05	0.75	79,911
July 2025	1.05	0.75	91,193
August 2025	1.05	0.75	48,301
September 2025	1.05	0.75	88,334
October 2025	0.90	0.60	150,218
November 2025	0.75	0.60	56,086
December 2025	0.90	0.60	120,539
January 2026	1.28	0.40	402,693
February 2026	0.50	0.30	149,200
March 1-30 2026	0.50	0.32	192,800

## Prior Sales

On October 31, 2025, in connection with the preferred share financing, (i) PPRC issued 264,848 Class A preferred shares at a price of C\$100 per share for aggregate gross proceeds of C\$26,484,800, and (ii) Prairie Provident issued warrants entitling the holder to acquire, for no additional consideration, 379,024,000 pre-consolidation Common Shares, in each case as more particularly described above under “*Company Overview and Background – General Development of our Business – Recent Developments*”.

During 2025, Prairie Provident issued a total of 8,646 post-consolidation Common Shares on the settlement of vested DSUs, vested RSUs and exercise of vested stock options under its security-based compensation arrangements.

## DIRECTORS AND OFFICERS

The following table sets out the names of our directors and executive officers, their jurisdictions of residence, their positions or offices with Prairie Provident and the period during which they have served in such capacities, and their principal occupations during the last five years.

Name, Jurisdiction of Residence and Position with Prairie Provident	Principal Occupations for Past Five Years	Director and/or officer since
Dale Miller <sup>(2)(5)</sup> Alberta, Canada <i>Executive Chairman and Director</i>	Corporate Director, Director of Yangarra Resources Ltd. since April 2021 and Director of Fiddlehead Resources Corp. since July 2024, President of Dark Horse Energy Consultants Ltd since 2017, COO of Hillcrest Petroleum Ltd June, 2018 to April, 2021, and prior thereto President/COO/Director of Long Run Exploration Ltd August, 2011 to April, 2017.	August 2023
Glenn Hamilton <sup>(1)(2)(3)(4)</sup> Alberta, Canada <i>Director</i>	Corporate Director; Director of Ember Resources Inc., Inter Pipeline Ltd. and Islander Oil & Gas Inc.; Corporate Advisor to Bonavista Energy Corporation (oil and gas exploration and development) from May 2015 until July 2016, and prior thereto its Senior Vice President and Chief Financial Officer from June 2008 until May 2015.	July 2023
Matthew Shyba <sup>(1)(2)(3)(4)(5)</sup> Alberta, Canada <i>Director</i>	Chief Executive Officer of Shyba Capital Inc. (private investment company) since January 2022; corporate lawyer since August 2019; prior thereto, Associate General Counsel of AutoCanada Inc. (automobile dealer) from February 2015 until July 2019.	July 2022
Kathy Turgeon <sup>(1)(3)(4)(5)</sup> Alberta, Canada <i>Director</i>	Corporate Director, Director of Lotus Creek Exploration Inc. (previously Gear Energy Ltd.) since May 2024; Vice President, Finance and Chief Financial Officer of Peyto Exploration & Development Corp. (oil and gas exploration and production) from November 2007 to March 2024.	July 2023
Amber Wright Alberta, Canada <i>Vice President, Operations &amp; Engineering</i>	Vice President, Operations & Engineering since October 2024; prior thereto, Manager, Development & Operations since November 2021; prior thereto, independent engineering consultant from April 2020 to October 2021.	October 2024

---

*Notes:*

- (1) Member of the Audit Committee of the Board of Directors, consisting of Glenn Hamilton (Chair), Matthew Shyba and Kathy Turgeon. See "*Audit Committee Information*" below.
- (2) Member of the Reserves Committee of the Board of Directors, consisting of Dale Miller (Chair), Glenn Hamilton and Matthew Shyba.
- (3) Member of the Compensation Committee of the Board of Directors, consisting of Kathy Turgeon (Chair), Glenn Hamilton and Matthew Shyba.
- (4) Member of the Nominating and Corporate Governance Committee of the Board of Directors, consisting of Glenn Hamilton (Chair), Matthew Shyba and Kathy Turgeon.
- (5) Member of the Environmental, Social and Governance Committee of the Board of Directors, consisting of Matthew Shyba (Chair), Kathy Turgeon and Dale Miller.

The term of office of all current directors expires at the close of the next annual meeting of Prairie Provident's shareholders.

As of the date hereof, the directors and executive officers of the Company, as a group, beneficially own or control or direct, directly or indirectly, an aggregate of 1,108,697 post-consolidation Common Shares, representing approximately 2.37% of the outstanding Common Shares (calculated on an undiluted basis).

There are potential conflicts of interest to which our directors and officers may become subject in connection with the Company's operations. In particular, certain of our directors have managerial or director positions with other oil and gas companies whose business could compete or interests could conflict with those of the Company, or that may provide financing or services to competitors. Conflicts, if any, will be subject to the procedures and remedies provided under the ABCA. In accordance with the ABCA, any director or officer who is a party to a material contract or material transaction (actual or proposed) with the Company, or is a director or officer of or has a material interest in any person who is a party to a material contract or material transaction (actual or proposed) with the Company, must disclose his or her interest, and is generally prohibited from voting on any resolution to approve the contract or transaction.

#### **AUDIT COMMITTEE INFORMATION**

The principal purpose of the Company's audit committee (the "**Audit Committee**") is to assist the Board of Directors in fulfilling its oversight responsibilities regarding the integrity of the Company's financial statements and related accounting, financial reporting and audit processes, internal accounting and financial control systems and procedures, disclosure controls and procedures, the qualification and performance of the Company's independent auditors, and the Company's risk management strategies; and compliance by the Company with applicable legal requirements relating thereto.

Attached as Schedule C to this AIF is a copy of the Audit Committee's current charter.

#### **Audit Committee Composition**

The Audit Committee is comprised of Glenn Hamilton (Chair), Matthew Shyba, and Kathy Turgeon. All members are independent of the Company and financially literate within the meaning of Canadian securities legislation.

Following is a brief description of the education and experience of each current Audit Committee member that is relevant to the performance of his or her responsibilities as a member of the Audit Committee:

- Glenn Hamilton (Chair) – Mr. Hamilton has over 35 years of experience in accounting and finance in the oil and gas industry. He served as Senior Vice President and Chief Financial Officer of Bonavista Energy Corporation from June 2008 until May 2015 and thereafter as Corporate Advisor to Bonavista until July 2016. Mr. Hamilton previously served as Vice President and Chief Financial Officer of NuVista Energy Ltd. from July 2003 until May 2006. He currently sits on the board of directors of each of Ember Resources Inc., Inter Pipeline Ltd., and Islander Oil & Gas Inc. Mr. Hamilton has a Bachelor of Commerce degree from

Carleton University and is a Chartered Professional Accountant (CPA-CA) and member of the Chartered Professional Accountants of Alberta. He also holds the ICD.D designation from the Institute of Corporate Directors.

- Matthew Shyba – Mr. Shyba is an experienced corporate lawyer and private investor with over a decade of capital markets experience, including significant expertise in corporate finance, corporate governance and mergers and acquisitions. He is currently Chief Executive Officer of Shyba Capital Inc., a private investment company based in Calgary, and also continues to practice corporate law. Mr. Shyba previously practiced in the securities group at Borden Ladner Gervais LLP and subsequently served as Associate General Counsel at AutoCanada Inc. He holds a Juris Doctor law degree from Dalhousie University.
- Kathy Turgeon – Ms. Turgeon has over 25 years of experience in accounting and finance in the oil and gas industry, serving as Chief Financial Officer of Peyto Exploration & Development Corp. from November 2007 until her retirement, effective March 31, 2024. She joined Peyto as Controller in 2004 and was subsequently appointed Vice President, Finance in 2006. Prior to joining Peyto, Ms. Turgeon served as Associate Director, Finance with the Department of Campus Infrastructure and as Internal Auditor for the University of Calgary. Ms. Turgeon previously served as a director of Peyto, and of Granite Oil Corp. Ms. Turgeon has a Bachelor of Commerce degree from the University of Calgary and is a Chartered Professional Accountant (CPA-CA) and member of the Chartered Professional Accountants of Alberta.

### Pre-Approval Policies and Procedures

The Audit Committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

### External Auditor Service Fees

The Company's auditor is Ernst & Young LLP, Chartered Professional Accountants, which has served as the auditor of the Company and its predecessor, Lone Pine Resources Inc., since November 2011.

The following is a summary of the professional service fees billed to the Company by Ernst & Young LLP for each of the last two financial years.

	<b>Financial Year ended December 31,</b>	
<i>(in \$000s)</i>	<b>2024</b>	<b>2025</b>
Audit Fees <sup>(1)</sup>	\$474	\$377
Audit-Related Fees <sup>(2)</sup>	—	—
Tax Fees <sup>(3)</sup>	—	—
All Other Fees <sup>(4)</sup>	—	—
Total Fees	\$474	\$377

*Notes:*

- (1) Audit Fees were for the audit of the annual financial statements and reviews of the quarterly financial statements.
- (2) Audit-Related Fees were for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements but are not reported as "audit fees".
- (3) Tax Fees were for corporate tax return filings, tax advice and tax planning services.
- (4) All Other Fees were for subscriptions to auditor-provided and supported tools.

## **RISK FACTORS**

The Company is exposed to a number of risks inherent in exploring for, developing and producing crude oil, natural gas and NGLs, some that impact the oil and gas industry as a whole and others that are unique to our operations. This section describes the important risks and other matters that could cause actual results to differ materially from those reflected in forward-looking statements. The impact of any risk or a combination of risks may adversely affect, among other things, our business, reputation, financial condition, results of operations and cash flows. The risks described below may not be the only risks that the Company faces, as our business and operations may also be subject to risks that we do not yet know of, or that we currently believe are immaterial. When assessing the materiality of the following risk factors, the Company takes into account a number of qualitative and quantitative factors, including, among others, financial, operational, environmental, regulatory, reputation and safety aspects of the identified risk factor. Events or circumstances described below could materially and adversely affect our business, financial condition, results of operations or cash flows. The risks described below are interconnected, and more than one of these risks could materialize simultaneously or in short sequence if certain events or circumstances described below actually occur. If any of the following risks develop into actual events, our business, financial condition, cash flows or results of operations could be materially and adversely affected. The following risk factors should be read in conjunction with the other information contained herein.

### **Exploration, Development and Production Risks**

Oil and natural gas exploration and development involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that expenditures made on future exploration by the Company will result in new discoveries of oil and natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory or development program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior wells or additional seismic data and interpretations thereof. Moreover, management of the Company may determine that current markets, regulatory requirements, terms of acquisition, participating or pricing conditions make potential acquisitions or participation uneconomic.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including geological and seismic risks, encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

As is standard industry practice, the Company is not fully insured against all risks, nor are all risks insurable. Although the Company maintains liability insurance and business interruption insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. See "*Insurance*". In either event, the Company could incur significant costs.

### **Access to Capital**

The Company will have to incur operating and capital expenditures in the future in order to carry out its oil and natural gas exploration and development activities. The Company has limited access to capital, and as such, must rely on internally-generated cash flows to operate its business and develop its assets.

### **Ability to Find, Develop or Acquire Additional Reserves**

Our future oil, natural gas and NGLs reserves and production, and therefore cash flows, are highly dependent upon our success in exploiting our current reserves base and acquiring, discovering or developing additional oil and gas reserves that are economically recoverable. Without additions to reserves through exploration, acquisition or development activities, our production will decline over time as reserves are depleted.

The business of exploring for, developing or acquiring reserves is capital intensive. To the extent our cash flows from operations are insufficient to fund capital expenditures and external sources of capital become limited or unavailable,

our ability to make the necessary capital investments to maintain and expand our oil, natural gas and NGL reserves will be impaired. In addition, there can be no certainty that we will be able to find and develop or acquire additional reserves to replace our production at acceptable costs.

Hydrocarbons are a limited resource, and the Company is subject to increasing competition from other companies, including national oil companies. Successful acquisitions require an assessment of a number of factors, many of which are uncertain. These factors include recoverable reserves, development potential, future oil and gas prices, operating costs and potential environmental and other liabilities. Such assessments are inexact and their accuracy is inherently uncertain. If a high impact prospect identified by the Company fails to materialize in a given year, our multi-year exploration or development portfolio may be compromised. See "*Risk Factors - Volatility of Crude Oil, Natural Gas and NGL Prices*" in this AIF. A decline in commodity prices may result in promising exploration and development projects being deemed uneconomic. Continued failure to achieve anticipated reserve and resource addition targets may result in our withdrawal from an area, which in turn may result in a write-down of any associated reserves and/or resources for that area.

Exploration and development drilling may not result in commercially productive reserves and, if production begins, reservoir performance may be less than projected. Future oil and gas exploration and development may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage, processing or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

### **Volatility of Crude Oil, Natural Gas and NGL Prices**

Our financial performance and condition are highly sensitive to the prevailing prices of crude oil, natural gas and NGL. Fluctuations in these prices could have a material effect on our operations and financial condition, the value of our oil and natural gas reserves and our level of expenditure for oil and gas exploration and development. Prices for liquids and natural gas fluctuate in response to changes in the supply of and demand for liquids and natural gas, market uncertainty and a variety of additional factors that are largely beyond our control. We currently use derivative instruments to hedge our expected base production so as to manage the impact of fluctuations in crude oil and natural gas prices. See "*Risk Factors - Losses Resulting from Hedging Activities*" in this AIF. Fluctuations in crude oil and gas prices could have a material effect on the volatility of our earnings. Oil prices are largely determined by international supply and demand.

Factors which affect crude oil prices include, among others, actions taken by Saudi Arabia, other members of the Organization of Petroleum Exporting Countries (OPEC) and other major oil producing countries (including Russia), or their state influenced enterprises, to change global crude oil supply or otherwise influence prices, inflation, isolationist trade policies and growing anti-fossil fuel sentiment, world economic conditions, government regulation, international trade disputes, political stability throughout the world, geopolitical tensions and events, the foreign supply of crude oil, the price of foreign imports, the ability to secure adequate transportation for products which could be affected by pipeline constraints, the availability of alternative fuel sources, technological advances affecting energy production and consumption, and weather conditions. Any contraction, or deceleration of growth, in the United States, the People's Republic of China and other major oil consuming economies, whatever the cause, will adversely affect oil prices. Historically, NGLs prices have generally been correlated with oil prices, and are determined based on supply and demand in international and domestic NGLs markets. Natural gas prices are impacted by North American inventory levels which have increased year-over-year due to production growth in North America.

The potential causes of conditions that reduce energy demand or increase market uncertainty are innumerable and cannot be predicted with certainty.

The substantial and extended decline in the prices of crude oil, natural gas and NGLs in recent years has resulted in delay or cancellation of drilling, development or construction programs, and curtailment in production and/or unutilized long-term transportation and drilling commitments, all of which could have a material adverse impact on the Company. Oil and gas producers in Canada currently receive discounted prices for their production relative to certain international prices due to constraints on their ability to transport and sell such production to international markets. A failure to resolve such constraints may result in continued discounted or reduced commodity prices realized by oil and gas producers, including the Company. Poor economics for developing assets have resulted in an industry-wide reduction of drilling activity which may lead to loss of leases and skilled workers. Climate concerns and growing anti-fossil fuel sentiment have caused a significant decrease in the valuation of oil and natural gas companies and a decrease in confidence in the oil and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. Moreover, changes in commodity prices may result in downward adjustments to our estimated reserves. If this occurs, or if our estimates of production or economic factors change, accounting rules may require that the Company impair, as a non-cash charge to earnings, the carrying value of our oil and gas properties. The Company is required to perform impairment tests on oil and gas properties whenever events or changes in circumstances indicate that the carrying value of properties may not be recoverable. To the extent such tests indicate a reduction of the estimated useful life or estimated future cash flows of our oil and gas properties, the carrying value may not be recoverable and, therefore, an impairment charge will be required to reduce the carrying value of the properties to their estimated fair value. The Company may incur impairment charges in the future, which could materially affect our results of operations, and its balance sheet, in the period incurred.

The marketability and price of oil and gas that may be acquired, discovered or produced by Prairie Provident is, and will continue to be, affected by numerous factors beyond its control. The Company's ability to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets or contract for the delivery by rail. The Company may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines, railway lines, processing and storage facilities, and operational problems affecting such pipelines, railway lines and facilities as well as extensive government regulation relating to price, taxes, royalties, the export of oil and natural gas and many other aspects of the oil and gas business.

Any prolonged period of low commodity prices affects our ability to access capital in a number of ways, which include, among others, the following:

- our ability to access new debt or credit markets on acceptable terms may be limited, and this condition may last for an unknown period of time;
- the note purchase agreements governing the First Lien Loan and the Second Lien Notes require that the Company maintain compliance with certain financial ratios, which include ratios based on an EBITDAX measure that is adversely affected by low commodity prices; and
- the operating and financial restrictions and covenants under the note purchase agreements governing the First Lien Loan and the Second Lien Notes restrict (and any future debt financing agreements will likely restrict) our ability to finance future operations or capital needs or to engage, expand or pursue our business activities.

Due to these and other factors, the Company cannot be certain that funding will be available, if needed and to the extent required, on acceptable terms, or at all. Specifically, changing investor priorities and trends, including as a result of climate change, ESG initiatives, the adoption of decarbonization policies and the general stigmatization of the oil and gas industry may limit our ability to attract and access capital. If funding is not available when needed, or if funding is available only on unfavorable terms, we may be unable to meet our obligations as they come due or be required to post collateral to support our obligations, or may be unable to meet our drilling commitments, implement our development plans, enhance our existing business, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our production, revenues, results of operations or financial condition. Moreover, if we are unable to obtain funding to acquire additional properties containing proved reserves, our total level of estimated oil, natural gas and NGL reserves may decline, and we may be unable to maintain our level of production and cash flow.

### **Uncertainty of Reserves Estimates**

The process of estimating oil and gas reserves is complex and involves a significant number of assumptions in evaluating available geological, geophysical, engineering and economic data. In addition, the process requires future projections of reservoir performance and economic conditions; therefore, reserves estimates are inherently uncertain. Since all reserves estimates are, to some degree, uncertain, reserves classification attempts to qualify the degree of uncertainty involved. Although Trimble has prepared the Company's reserves figures using methods of estimating reserves with those commonly followed in the industry and believe that those methods have been verified by operating experience, such figures and estimates and no assurance can be given that the indicates levels of reserves will be produced.

Since the evaluation of reserves involves the evaluator's interpretation of available data and projections of price and other economic factors, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, the classification of such reserves based on estimated uncertainty, and the estimates of future net revenue or future net cash flows prepared by different evaluators or by the same evaluators at different times may vary substantially. Our actual production, revenues, royalties, taxes, and development and operating expenditures with respect to its reserves will likely vary from such estimates and such variances could be material.

Estimates of reserves that may be developed in the future are often based upon volumetric calculations and upon analogy to actual production history from similar reservoirs and wells, rather than upon actual production history. Estimates based on these methods generally are less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be material, in the previously estimated reserves.

### **Net Present Value of Future Net Revenues**

The net present value of future net revenues attributable to our reserves will not necessarily be the same as the current market value of their estimated reserves. Trimble based the estimated discounted future net revenues from proved reserves on certain commodity price assumptions, which assumptions are described in the notes to the reserves tables. Actual future net revenues from our properties will be affected by factors such as:

- actual prices received for oil, natural gas and NGLs;
- actual cost of development and production expenditures;
- the amount and timing of actual production; and
- changes in governmental regulations or taxation.

The timing of both production and incurrence of expenses in connection with the development and production of oil, natural gas and NGLs from the properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. In addition, the 10% discount factor used when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with Prairie Provident or the oil and natural gas industry in general. Additionally, such calculation excludes a number of important costs that Prairie Provident will actually incur, such as interest expense, income taxes and general and administrative expenses. Actual future prices and costs may differ materially from those used in the present value estimates included in this AIF.

### **Operational Risks**

Our business is subject to all the operating risks normally associated with the exploration for, development of and production of natural gas, oil and NGLs. These risks include blowouts, explosions, fire, gaseous leaks, migration of harmful substances and liquid spills, acts of vandalism and terrorism, any of which could cause personal injury, result in damage to, or destruction of, natural gas and oil wells or formations or production facilities and other property, equipment and the environment, as well as interrupt operations.

In addition, all of our operations will be subject to all the risks normally incident to the transportation, processing, storing and marketing of natural gas, oil, NGLs and other related products, drilling and completion of natural gas and oil wells, and the operation and development of natural gas and oil properties, including encountering unexpected formations or pressures, premature declines of reservoir pressure or productivity, blowouts, equipment failures and other accidents, sour gas releases, uncontrollable flows of natural gas, oil or well fluids, adverse weather conditions, pollution and other environmental risks.

If any of these industry-operating risks occur, the Company could suffer substantial losses. Substantial losses may be caused by injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations.

### **Insurance**

The Company's involvement in the exploration for and development of oil and natural gas properties may result in the Company becoming subject to liability for pollution, blowouts, property damage, personal injury or other hazards. Although prior to drilling the Company will obtain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

### **Seasonality**

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial governmental authorities impose road bans that restrict the movement of drilling and service rigs and other heavy equipment, thereby limiting or temporarily halting drilling and producing activities and other oil and gas operations. These constraints and the resulting shortages or high costs could delay or temporarily halt our operations and materially increase our operating and capital costs. Such seasonal anomalies can also adversely affect our ability to meet drilling objectives and capital commitments, and may increase competition for equipment, supplies and personnel during the winter months, which could lead to shortages and increased costs or delay or temporarily halt operations.

### **Risks Related to Mergers and Acquisitions and Dispositions**

The Company believes that possible future mergers or acquisitions may strengthen our position and create the opportunity to realize certain benefits, including, among other things, operational synergies and potential cost savings. Achieving the benefits of mergers or acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as being able to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations. Mergers and acquisitions could also result in difficulties in being able to hire, train or retain qualified personnel to manage and operate such properties.

Acquiring oil and gas properties requires the Company to assess reservoir and infrastructure characteristics, including estimated recoverable reserves, type curve performance and future production, commodity prices, revenues, development and operating costs and potential environmental and other liabilities. Such assessments are inexact and inherently uncertain and, as such, the acquired properties may not produce as expected, may not have the anticipated reserves and may be subject to increased costs and liabilities.

Although the acquired properties are reviewed prior to completion of an acquisition, such reviews are not capable of identifying all existing or potentially adverse conditions. This risk may be magnified where the acquired properties are in geographic areas where the Company has not historically operated or in new or emerging formations. New or

emerging formations and areas often have limited or no production history and we may be less able to predict future drilling and production results over the life-cycles of the wells in such areas.

Further, the Company may not be able to obtain or realize upon contractual indemnities from the seller for liabilities created prior to an acquisition, and may be required to assume the risk of the physical condition of the properties that may not perform in accordance with expectations.

Assets may be periodically disposed of so the Company can focus its efforts and resources more efficiently. Depending on the state of the market, assets of the Company may realize less on disposition than their carrying value on the financial statements of the Company.

### **Capital Allocation and Project Decisions**

Our long-term financial performance is sensitive to the capital allocation decisions taken and the underlying performance of the projects undertaken. Capital allocation and project decisions are undertaken after assessing reserve and production projections, capital and operating cost estimates and applicable fiscal regimes that govern the respective government take from any project. All these factors are evaluated against common commodity pricing assumptions and the relative risks of projects. These factors are used to establish a relative ranking of projects and capital allocation, which is then calibrated to ensure the debt and liquidity of the Company is not compromised. However, material changes to project outcomes and deviation from forecasted assumptions, such as production volumes and rates, realized commodity price, cost or tax and/or royalties, could have a material impact on our cash flow and financial performance as well as assessed impacts of impairments on our assets. Adverse economic and/or fiscal conditions could impact the prioritization of projects and capital allocation to these projects, which in turn could lead to adverse effects such as asset under investment, asset performance impairments or land access expiries.

### **Project Delivery**

Our ability to operate, generate sufficient cash flows, and complete projects depends upon numerous factors beyond our control. In addition to commodity prices and continued market demand for its products, these non-controllable factors include, among others, general business and market conditions, economic recessions and financial market turmoil, the overall state of the capital markets, including investor appetite for investments in the oil and gas industry generally and our securities in particular, the ability to secure and maintain cost effective financing for its commitments, legislative, environmental and regulatory matters, reliance on industry partners and service providers, unexpected cost increases, royalties, taxes, and volatility in oil, natural gas or NGL prices. Global demand for project resources can impact the access to appropriately competent contractors and construction yards as well as to raw products, such as steel. Typical execution risks include, among others, the availability of seismic data, the availability of pipeline and processing capacity, transportation interruptions and constraints, technology failures, accidents, reservoir quality, the availability and proximity of pipeline capacity, the availability of drilling and other equipment, the ability to access water for hydraulic fracturing operations, the ability to access lands, weather, unexpected cost increases, accidents, the availability of skilled labour, including engineering and project planning personnel, the need for government approvals and permits, and regulatory matters. Subsurface challenges can also result in additional risk of cost overruns and scheduling delays if conditions are not typical of historical experiences. The Company utilizes materials and services which are subject to general industry-wide conditions. Cost escalation for materials and services may be unrelated to commodity price changes and may continue to have a significant impact on project planning and economics. In addition, some of these risks may be magnified due to the concentrated nature of funding certain assets within our portfolio of oil and natural gas properties that are operated within limited geographic areas. As a result, a number of our assets could experience any of the same risks and conditions at the same time, resulting in a relatively greater impact on our financial condition and results of operations compared to other companies that may have a more geographically diversified portfolio of properties.

Declines in oil, natural gas or NGLs prices or a continued low price environment for natural gas, oil or NGLs create fiscal challenges for the oil and gas industry. These conditions have impacted companies in the oil and gas industry and our spending and operating plans and may continue to do so in the future. There may be unexpected business impacts from market uncertainty, including volatile changes in currency exchange rates, inflation, interest rates, defaults of suppliers and general levels of investing and consuming activity.

The Company manages a variety of projects, including exploration and development projects. Project delays may impact expected revenues and project cost overruns could make projects uneconomic.

All of our operations are subject to regulation and intervention by governments that can affect or prohibit the drilling, completion and tie-in of wells, production, the construction or expansion of facilities and the operation and abandonment of fields. Contract rights can be cancelled or expropriated. Changes to government regulation could impact our existing and planned projects.

### **Egress and Gas and Liquid Buyers**

The Company delivers its products through gathering, processing and pipeline systems (some of which we do not own). The amount of oil and natural gas that we can sell is subject to the accessibility, availability, proximity and capacity of these systems. This access to market affects regional price differentials, which could result in the inability to realize the full economic potential of our production. Although transportation systems are expanding, the lack of firm transportation capacity continues to affect the industry and has the potential to limit the ability to produce and to market our production. In addition, the pro-rationing of capacity on inter-provincial pipeline systems also continues to affect the ability to export oil. North America has an integrated network of natural gas pipelines; however regional restrictions can arise resulting in curtailments. Any significant change in market factors, infrastructure regulation or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities, could negatively impact our business and, in turn, its financial condition, results of operations and funds from operations. A portion of our production is processed through third-party owned facilities that we do not control. From time-to-time these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuance or decrease of operations could adversely affect our ability to process its production and to deliver the same for sale.

### **Alternatives to, and Changing Demand for, Petroleum Products**

Fuel conservation measures, alternative fuel requirements, electric vehicle mandates, and increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for petroleum products. The Company cannot predict the impact of changing demand for oil and gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and adjusted funds flows.

### **Credit and Liquidity**

Market events and conditions, including disruptions in the international credit markets and other financial systems and sovereign debt levels, may cause significant volatility of the credit markets, which may then restrict timely access and limit our ability to secure and maintain cost-effective financing on acceptable terms and conditions. Specifically, changing investor priorities and trends, including as a result of climate change, ESG initiatives, the adoption of decarbonization policies and the general stigmatization of the oil and gas industry may limit our ability to attract and access capital.

Our ability to access the private and public equity and debt markets and complete future asset monetization transactions is also dependent upon oil, natural gas and NGL prices, in addition to a number of other factors, some of which are outside our control. These factors include, among others:

- the value and performance of our debt and equity securities;
- domestic and global economic conditions; and
- conditions in the domestic and global financial markets.

See also "*Risk Factors - Volatility of Crude Oil, Natural Gas and NGL Prices*" in this AIF.

Recent credit concerns and related turmoil in the energy sector and disruption to the broader economy have adversely impacted our business and access to capital, and we may face additional challenges if these economic and financial market conditions persist or worsen. The weakened economic conditions also may adversely affect the collectability of our trade receivables. For example, our accounts receivable are primarily from purchasers of our oil, natural gas and NGL production and other exploration and production companies that own working interests in the properties that we operate. This industry concentration could adversely impact our overall credit risk because our customers and working interest owners may be similarly affected by changes in economic and financial market conditions, commodity prices and other conditions. Further, a credit crisis and turmoil in the financial markets in the future could cause our commodity derivative instruments to be ineffective in the event a counterparty is unable to perform its obligations or seeks bankruptcy protection.

Due to these and other factors, the Company cannot be certain that funding, if needed, will be available to the extent required, or on acceptable terms, or at all. If we are unable to access funding when needed on acceptable terms, we may not be able to implement our business plans, meet our capital commitments, take advantage of business opportunities, respond to competitive pressures or refinance our debt obligations as they come due, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

### **Operating Restrictions under our Credit Arrangements**

The note purchase agreements governing the First Lien Loan and the Second Lien Notes contain, and future agreements governing replacement or other indebtedness will likely contain, restrictive covenants that impose significant operating and financial restrictions on the Company, including restrictions on our ability to, among other things:

- sell assets, including equity interests in its subsidiaries;
- pay dividends on, redeem or repurchase Prairie Provident shares;
- make investments other than the ownership and related operation of oil and gas properties and assets in Canada;
- incur or guarantee additional indebtedness or issue preferred shares;
- create or incur certain liens;
- make certain acquisitions and investments;
- enter into agreements that restrict distributions or other payments from restricted subsidiaries;
- consolidate, merge or transfer all or substantially all of our assets;
- engage in transactions with affiliates;
- create unrestricted subsidiaries;
- enter into certain sale and leaseback transactions; and
- engage in certain business activities.

The note purchase agreements governing the First Lien Loan and the Second Lien Notes also require that the Company maintain compliance with certain financial ratios.

As a result of these covenants and restrictions the Company will be limited in the conduct of its business, and may therefore be unable to engage in favorable business activities or finance future operations or capital needs. Our ability

to comply with these covenants and restrictions in the future is uncertain and will be affected by prevailing commodity prices and other events and circumstances beyond the Company's control. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired.

The note purchase agreement governing the First Lien Loan also limits the amounts the Company can borrow to a borrowing base amount, determined by the secured noteholders in their discretion based on their internal criteria and valuation of our estimated reserves. Outstanding borrowings in excess of the borrowing base must be repaid with interest. If the Company does not have sufficient funds on hand for such repayment, we may be required to seek a waiver or amendment from our lenders, refinance our debt, sell assets or issue equity or more debt. The Company may not be able to obtain such financing or complete such transactions on acceptable terms, or at all. Failure to make any required repayment could result in an event of default under our credit arrangements.

A failure to comply with requirements of the note purchase agreements governing the First Lien Loan and the Second Lien Notes (or of any future debt financing agreements) could result in an event of default under the agreement, which, if not cured or waived, could have a material adverse effect on our business, financial condition, cash flows and results of operations. If an event of default under either note purchase agreement occurs and remains uncured, the lenders thereunder:

- could elect to declare all borrowings outstanding, together with accrued and unpaid interest thereon and fees, to be immediately due and payable;
- may require the Company to apply all available cash to repay these borrowings; or
- may prevent the Company from making debt service payments under other agreements.

Our level of indebtedness could affect our operations by:

- requiring the Company to dedicate a portion of cash flows from operations to service indebtedness, thereby reducing the availability of cash flow for other purposes;
- reducing our competitiveness compared to similar companies that have less debt;
- limiting our ability to obtain additional future financing for working capital, capital investments and acquisitions;
- limiting our flexibility in planning for, or reacting to, changes in our business and industry; and
- increasing our vulnerability to general adverse economic and industry conditions.

Our ability to meet and service our debt obligations depends on future performance. General economic conditions, natural gas, oil or NGL prices, and financial, business and other factors affect our operations and future performance. Many of these factors are beyond our control. If we are unable to satisfy our obligations with cash on hand, we could attempt to refinance debt or repay debt with proceeds from an offering of securities or sale of assets. No assurance can be given that the Company will be able to generate sufficient cash flow to pay the interest obligations on our debt, or that funds from future borrowings, equity financings or proceeds from the asset sales will be available to pay or refinance our debt, at all or on acceptable terms. Further, future acquisitions may decrease our liquidity by using a significant portion of available cash or borrowing capacity to finance such acquisitions, and such acquisitions could result in a significant increase in our interest expense or financial leverage if the Company incurs additional debt to finance the acquisitions.

### **Significant Shareholder**

To the Company's knowledge, PCEP Canadian Holdco, LLC ("**PCEP**"), a Delaware limited liability company that is indirectly managed by PGIM Private Capital, a unit of PGIM, Inc., directly or indirectly owns or exercises control or direction over 37,460,335 post-consolidation Common Shares representing approximately 80.1% of the total number

of Common Shares (undiluted) outstanding at the date of this AIF. In addition, an affiliate of PCEP holds the Preferred Shares and the October 31, 2025 warrants described under "*Company Overview and Background – General Development of our Business – Recent Developments*" and "*Capital Structure and Outstanding Securities – Convertible Securities*". As such, PCEP holds a sufficient number of our voting securities to materially affect control of the Company. In particular, the support of PCEP will be required for any matter requiring approval of the Prairie Provident shareholders by special resolution, such as amendments to the Company's articles, a sale of all or substantially all of the assets of the Company, and certain business combination transactions. No party will make any acquisition proposal unless supported by PCEP. Although the interests of all shareholders are generally aligned, PCEP is entitled to act solely in its own interests in the exercise of its rights as a shareholder, whether those interests are consistent or conflict with (and any such conflict may be resolved against) the interests of the Company or any of its shareholders or other stakeholders. Any conflict between PCEP's interests and the interests of the Company or any of its shareholders or other stakeholders may be resolved contrary to the interests of the Company or its shareholders or other stakeholders.

PCEP acquired its Common Shares as outlined above under "*Company Overview and Background – General Development of our Business*".

### **Ownership of the Common Shares**

The market price of our Common Shares is sensitive to a variety of market based factors including, but not limited to, commodity prices, macroeconomic developments nationally, within North America or globally, current perceptions of the oil and gas markets, negative investor sentiment towards energy-related businesses or formal decarbonization policies, interest rates, foreign exchange rates and the comparability of the Common Shares to other yield oriented securities. Any changes in these market-based factors may adversely affect the trading price of the Common Shares.

Similarly, the market price of the Common Shares may be due to Prairie Provident's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Prairie Provident or its competitors, along with a variety of additional factors. In addition, in recent years the market price for securities in the stock markets, including the TSX, experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

There may be future dilution to our shareholders. One of our objectives is to continually add to our reserves through acquisitions and through development. Our success in growth from acquisitions and development may, in part, depend on our ability to raise capital from time to time by selling additional Common Shares. Shareholders will suffer dilution as a result of these offerings if, for example, the cash flow, production or reserves from the acquired assets do not reflect the additional number of Common Shares issued to acquire those assets. Shareholders may also suffer dilution in connection with future issuances of Common Shares to effect acquisitions.

### **Sale of Additional Securities**

The Company may issue an unlimited number of additional Common Shares and other securities in the future to finance its activities without the approval of shareholders. Subject to the policies of the TSX, the Board of Directors has the discretion to set the price and terms of the issuance of any such additional securities, and any issuance of additional securities may have a dilutive effect on the holders of Common Shares.

### **Major Incident, Major Spill / Loss of Well Control**

Oil and gas drilling and producing operations are subject to many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome, including, among others, the risk of fire, explosions, mechanical failure, pipe or well cement failure, well casing collapse, pressure or irregularities in formations, chemical and other spills, unauthorized access to hydrocarbons, illegal tapping of pipelines, accidental flows of oil, natural gas

or well fluids, sour gas releases, contamination, vessel collision, structural failure, loss of buoyancy, storms or other adverse weather conditions and other occurrences. If any of these should occur, the Company could incur legal defence costs and remedial costs and could suffer substantial losses due to injury or loss of life, human health risks, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, unplanned production outage, cleanup responsibilities, regulatory investigation and penalties, increased public interest in our operational performance and suspension of operations. Our application of horizontal and multi-stage hydraulic fracture stimulation techniques involve greater risk of mechanical problems than vertical and shallow drilling operations.

### **Health Hazards and Personal Safety Incidents**

The employee and contractor personnel involved in exploration and production activities and operations of the Company are subject to many inherent health and safety risks and hazards, which could result in occupational illness or health issues, personal injury, and loss of life, facility quarantine and/or facility and personnel evacuation.

### **Regulatory Approvals / Compliance and Changes to Laws and Regulations**

Our exploration and production operations are subject to extensive regulation at many levels of government, including municipal, state, provincial and federal governments, and operations are subject to interruption or termination by governmental and regulatory authorities based on environmental or other considerations. Moreover, the Company has incurred and will continue to incur costs in our efforts to comply with the requirements of environmental, safety and other regulations. Further, the regulatory environment in the oil and gas industry could change in ways that we cannot predict and that might substantially increase our costs of compliance and, in turn, materially and adversely affect our business, results of operations and financial condition.

Failure to comply with the applicable laws or regulations may result in significant increases in costs, fines or penalties and even shutdowns or losses of operating licences or criminal sanctions. If regulatory approvals or permits required for operations are delayed or not obtained, the Company could experience delays or abandonment of projects, decreases in production and increases in costs. This could result in our inability to fully execute the Company's strategy and adversely impact our financial condition. See "*Risk Factors - Sociopolitical Risks*" in this AIF.

Changes to existing laws and regulations or new laws could have an adverse effect on our business by increasing costs, impacting development schedules, reducing revenue and cash flow from natural gas and oil sales, reducing liquidity, limiting operations or otherwise altering the way the Company conducts business. There have been various proposals to enact new, or amend existing, laws and regulations relating to GHG emissions, hydraulic fracturing (including associated additives, water use, induced seismicity, and disposal) and shale gas development generally. See "*Risk Factors - Environmental Risks*" in this AIF.

The Company continues to monitor and assess any new policies, legislation or regulations in the areas where we operate to determine the impact on our operations. Governmental actors unilaterally control the timing, scope and effect of any currently proposed or future laws or regulations, and such enactments are subject to a myriad of factors, including political, economic and social pressures. The direct and indirect costs of such laws and regulations (if enacted) could materially and adversely affect our business, results of operations and financial condition.

### **Operating and Capital Costs**

The Company's financial performance is significantly affected by the cost of operating and the capital costs associated with its assets. Operating and capital costs are affected by a number of factors including, but not limited to inflationary price pressure, scheduling delays, failure to maintain quality standards and supply chain disruptions. The Company's inability to manage costs or to secure equipment, materials or skilled labour necessary to its exploration, development, construction and operations for the expected price, on the expected timeline, or at all, could have a material adverse effect on the Company's financial condition, results of operations and cash flows. Electricity, chemicals, supplies, abandonment, reclamation and labour costs are examples of operating costs that are susceptible to significant fluctuations. Fluctuations in operating and capital costs could negatively impact Prairie Provident's business, financial condition, results of operations, cash flows and value of its oil and gas reserves.

## **Fiscal Stability**

Governments may amend or create new legislation that could impact our operations and that could result in increased capital, operating and compliance costs. Moreover, our operations are subject to various levels of taxation in the jurisdictions in which the Company operates. Federal, provincial and territorial income tax rates or incentive programs relating to the oil and gas industry in the jurisdictions where we operate may in the future be changed or interpreted in a manner that could materially affect the economic value of the relevant assets. In addition, there can be no assurance that the applicable provincial governments will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or the Company's operations, less economic. In particular, on January 29, 2016, the Government of Alberta adopted a new royalty regime that took effect on January 1, 2017 to incorporate a single royalty structure for crude oil, liquids and gas.

The Government of Alberta passed the Royalty Guarantee Act on July 18, 2019, ensuring that when a well is drilled, the royalty structure will remain in place for at least ten years, subject to certain listed exceptions. On July 23, 2020, the Red Tape Reduction Implementation Act, received Royal Assent. The Red Tape Reduction Implementation Act amends, among other acts, the Mines and Minerals Act (Alberta), allowing the Alberta Minister of Energy to make changes to royalty rates without Cabinet's approval. There can be no assurances that the Government of Alberta will not amend or repeal these Acts, or that the Government of Canada will not adopt new royalty regimes, which may render the Company's projects uneconomic or otherwise adversely affect its results of operations, financial condition or prospects. See "*Industry Conditions - Royalties*".

## **Stakeholder Opposition**

Our planned activities may be adversely affected if there is strong community opposition to our operations. For example, there is heightened public concern regarding hydraulic fracturing in parts of North America, which could materially affect our shale operations. In some circumstances, this risk of community opposition may be higher in areas where Prairie Provident operates alongside Indigenous communities who may have additional concerns regarding land ownership, usage or claim compensation.

Further, with increasing public focus on climate change and GHG emissions, the reputations of oil and gas companies generally may become increasingly unfavourable. There are added social pressures which demand governments and companies to work to mitigate the risks associated with climate change, decrease GHG emissions and move towards decarbonization. Specifically, there is a reputational risk in connection with the Company's ability to meet increasing climate reporting and emission reduction expectations from key stakeholders. The Company has been actively preparing and adapting to manage and respond to investors' increasing expectations by proactively preparing voluntary reports on ESG initiatives, investing in energy efficiency and emissions reduction projects and integrating ESG across the business.

## **Non-Operatorship and Partner Relationships**

Some of our projects are conducted through, joint ventures, partnerships or other arrangements, where Prairie Provident has a limited ability to influence or control operations (or their associated costs) or future development, safety and environmental standards and amount of capital expenditures. Companies which operate these properties may not necessarily share our health, safety and environmental standards or strategic or operational goals or approach to partner relationships, which may result in accidents, regulatory noncompliance, project delays or unexpected future costs, all of which may affect the viability of these projects and our standing in the external market. Our dependence on the operator and other working interest owners for these properties and assets, and its limited ability to influence operations and associated costs, could materially adversely affect our financial performance. The success and timing of our activities on assets operated by others therefore will depend upon a number of factors that are outside of our control, including timing and amount of capital expenditures, timing and amount of operating and maintenance expenditures, the operator's expertise and financial resources, approval of other participants, selection of technology and risk management practices.

If these co-participants do not approve or are unable to fund their contractual share of certain capital or operating expenditures, suspend or terminate such arrangements or otherwise fulfill their obligations, this may result in project delays or additional future costs to the Company, all of which may affect the viability of such projects.

These co-participants may also have strategic plans, objectives and interests that do not coincide with and may conflict with those of the Company. While certain operational decisions may be made solely at our discretion as operator of certain projects, major capital and strategic decisions affecting such projects may require agreement among the co-participants. While the Company and its co-participants generally seek consensus with respect to major decisions concerning the direction and operation of the project assets, no assurance can be provided that the future demands or expectations of any party, including the Company, relating to such assets will be met satisfactorily or in a timely manner. Failure to satisfactorily meet such demands or expectations may affect our or our co-participants' participation in the operation of such assets or the timing for undertaking various activities, which could negatively affect our operations and financial results. Further, the Company is involved from time to time in disputes with its co-participants and, as such, we may be unable to dispose of assets or interests in certain arrangements if such disputes cannot be resolved in a satisfactory or timely manner.

### **Losses Resulting from Hedging Activities**

The nature of our operations results in exposure to fluctuations in commodity prices. To reduce our exposure to fluctuations in oil, natural gas and NGL prices, the Company may enter into derivative instruments (or hedging agreements) for a portion of its oil, natural gas and NGL production. We expect that our commodity hedging agreements will be limited in duration, usually for periods of three years or less; however, in conjunction with acquisitions, we may enter into or acquire hedges for longer periods. The terms of hedging agreements may limit the benefit to the Company of commodity price improvements. We may also suffer financial loss if the Company is unable to produce natural gas, oil or NGLs, or if counterparties to our hedging agreements fail to fulfill their obligations under the hedging agreements.

Hedging transactions will impact our earnings in various ways, known and unknown. Due to the volatility of commodity prices, the Company may be required to recognize mark-to-market gains and losses on derivative instruments, as the estimated fair value of our commodity derivative instruments is subject to significant fluctuations from period to period. The amount of any actual gains or losses recognized may differ from our period-to-period estimates and will be a function of the actual price of the commodities on the settlement date of the particular derivative instrument. The Company expects that commodity prices will continue to fluctuate in the future, and, as a result, our periodic financial results may be subject to fluctuations related to derivative instruments.

### **Attraction, Retention and Development of Personnel**

The success of the Company will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Company are likely to be of central importance. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. This includes not only key personnel at a senior level, but also individuals with the professional and technical skill sets critical for our business, particularly geologists, geophysicists, engineers, accountants and other specialists. Any deterioration of our corporate culture could adversely affect our operations and long-term success. Any external circumstance that renders our personnel unable to work, or disrupts their ability to effectively access the workplace resources necessary to discharge their responsibilities for the Company, will also adversely affect our operations.

### **Information Systems**

The Company has become increasingly dependent upon the availability, capacity, reliability and security of our information technology (IT) infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. We depend on various IT systems to estimate reserve quantities, process and record financial and operating data, analyze seismic and drilling information, and communicate with employees and third-party partners. Our IT systems are increasingly integrated in terms of geography, number of systems, and key resources supporting the delivery of IT systems. The performance of our key suppliers is critical to ensure appropriate delivery

of key services. Any failure to manage, expand and update our IT infrastructure, any failure in the extension or operation of this infrastructure, or any failure by our key resources or service providers in the performance of their services could materially and adversely harm our business.

The ability of the IT function to support our business in the event of a disaster such as fire, flood or loss/denial of any of our data centres or major office locations and our ability to recover key systems from unexpected interruptions cannot be fully tested. There is a risk that, if such an event actually occurs, the business continuity plan may not be adequate to immediately address all repercussions of the disaster. In the event of a disaster affecting a data centre or key office location, key systems may be unavailable for a number of days, leading to inability to perform some business processes in a timely manner.

Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or its competitive position. Further, disruption of critical IT services, or breaches of information security, could have a negative effect on our operational performance and earnings, as well as on our reputation.

The Company applies technical and process controls in line with industry-accepted standards to protect our information assets and systems; however these controls may not adequately prevent cyber-security breaches. There is no assurance that the Company will not suffer losses associated with cyber-security breaches in the future, and we may be required to expend significant additional resources to investigate, mitigate and remediate any potential vulnerabilities.

Increasingly, social media is used as a vehicle to carry out cyber phishing attacks. Information posted on social media sites, for business or personal purposes, may be used by attackers to access the Company's systems and obtain confidential information. The Company restricts the social media access of its employees and periodically reviews, supervises, retains and maintains the ability to retrieve social media content. Despite these efforts, as social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, there are significant risks that the Company may not be able to properly regulate social media use and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

### **Claims, Litigation, Administrative Proceedings and Regulatory Actions**

The Company may be subject to claims, litigation, administrative proceedings and regulatory actions. The outcome of these matters may be difficult to assess or quantify, and there cannot be any assurance that such matters will be resolved in our favour. If we are unable to resolve such matters favourably, the Company or its directors, officers or employees may become involved in legal proceedings that could result in an onerous or unfavourable decision, including fines, sanctions, monetary damages or the inability to engage in certain operations or transactions. The defense of such matters may also be costly and time consuming, and could divert the attention of management and key personnel from our operations. The Company may also be subject to adverse publicity associated with such matters, whether or not allegations are valid or we are ultimately found liable. As a result, such matters could have a material adverse effect on our reputation, financial position, results of operations or liquidity.

### **Securing and Maintaining Title to Properties**

Our oil and gas properties are held in the form of licenses and leases and working interests in licenses and leases. If the Company or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of a license or lease or the working interest relating to a license or lease may have a material adverse effect on our results of operations and business. In addition title to the properties can become subject to dispute and defeat our claim to title over certain of its properties. Furthermore, there may be legislative changes which affect title to the oil and gas properties we control that, if successful or made into law, could impair our activities on the properties and result in a reduction of the revenue received.

### **Claims Made by Aboriginal Peoples**

Aboriginal peoples have claimed Aboriginal title and rights to portions of Western Canada. We are not aware that any material claims have been made in respect of our properties and assets; however, if a claim arose and was successful this could have an adverse effect on the Company and our operations.

On December 3, 2020, the Federal Government introduced Bill C-15, An Act respecting the United Nations Declaration on the Rights of Indigenous Peoples which requires the Federal Government to ensure all Canadian laws are consistent with UNDRIP, implement an action plan to achieve UNDRIP's objectives and table a report on the process of aligning the laws of Canada and on the action plan. On June 21, 2021 Bill C-15 received Royal Assent and came immediately into force. Additional processes may be created or legislation amended or introduced associated with project development and operations, further increasing uncertainty with respect to project regulatory approval timelines and requirements.

Recently in British Columbia, an Indigenous group was able to establish that cumulative effects within its traditional territory had reached a "tipping point" resulting in infringement of their treaty rights (see *Yahey v British Columbia*, 2021 BCSC 1287). The court determined that British Columbia could not authorize new activities within this First Nation's traditional territory, pending consultation and negotiation with the First Nation. Negotiations are ongoing between the Government of British Columbia and the First Nation respecting future authorizations (an interim agreement allowing emergency authorizations has been reached), and, the decision was not appealed by the Government of British Columbia. While this decision does not create binding precedent in Alberta and the long term impacts of this decision on Aboriginal law in Canada overall and in Alberta are not yet fully understood, a similar claim, if successful, that encompasses the Company's projects could have a significant adverse effect on the Company.

### **Sociopolitical Risks**

Our operations may be adversely affected by political or economic developments or social instability in the jurisdictions in which we operate, which are not within our control, including, among other things, a change in crude oil, natural gas or NGL pricing policy and/or related regulatory delays, the risks of war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions and contracts, difficulties in enforcing contractual terms, a change in taxation policies, economic sanctions, the imposition of specific drilling obligations, the imposition of rules relating to development and abandonment of fields, access to or development of infrastructure, jurisdictional boundary disputes, and currency controls.

Additionally, the marketability and price of oil and gas is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East, and other areas of the world, including the ongoing Russian hostilities in Ukraine, have a significant impact on the price of oil and gas. Any particular event could result in a material decline in prices and therefore could have a material adverse effect on the Company's results of operations, financial condition and prospects.

Other government and political factors that could adversely affect the Company's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect the Company's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand.

### **Exposure to Widespread Pandemic**

Pandemics, epidemics or other outbreaks, such as the COVID-19 pandemic, may adversely affect local and global economies, as well as Prairie Provident's business and operations as a result of, among other things, the imposition of restrictions and the closure of borders, institutions and businesses deemed non-essential. In addition to the impact on commodity prices and commodity sales, the effects of the pandemics, epidemics or other outbreaks and related

government action, have created uncertainty in the financial and energy markets and in the crude oil and natural gas industry.

There can be no certainty regarding the long-term efficacy of and other actions taken to control the spread of COVID-19 or other widespread diseases. Governments will continue to closely monitor the spread of COVID-19 and other viruses and may reintroduce restrictive measures to counter any successive wave or resurgence of COVID-19, its variants or other diseases. Accordingly, the Company's financial or operating performance could be materially adversely impacted by way of suspensions, delays or cancellations of the Company's projects, either by its customers or due to broader government directives, slowdowns or stoppages in the performance of projects due to labor shortages, supply chain disruptions and shortages, increased collection risk from customers, volatility in capital markets, inflation and decreases in customer demand as a result of the impacts of government imposed restrictions, including reduced prices of and global demand for petroleum products caused by travel restrictions and other shut-downs.

### **Future Changes in Laws**

Income tax laws, royalty regimes, environmental laws or other laws and regulations may in the future be changed or interpreted in a manner that adversely affects the Company or our security holders. Changes to existing laws and regulations or the adoption of new laws and regulations could also increase our cost of compliance and adversely affect our business, financial position, cash flows or results of operations.

### **Exchange Rate Fluctuations**

World oil prices are quoted in U.S. dollars. An increase (or decrease) in the exchange rate for the Canadian dollar versus the U.S. dollar would result in the receipt by the Company of fewer (or more) Canadian dollars for its production. Our expenses are primarily denominated in Canadian dollars. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar could impact our revenue and expenses and have an adverse effect on our financial performance and condition. The Company monitors and, when appropriate, uses derivative financial instruments to manage its exposure to currency exchange rate risk. Changes in the exchange rate for the Canadian dollar and future Canadian/United States exchange rates may also impact the future value of the Company's reserves as determined by independent evaluators, and in turn, the market price of the Common Shares.

### **Counterparty Risk**

The Company is exposed to the risks associated with counterparty performance including credit risk and performance risk. We may experience material financial losses in the event of customer payment default for commodity sales and financial derivative transactions. Performance risk can impact our operations by the non-delivery of contracted products or services by counterparties, which could impact project timelines or operational efficiency. Fluctuations in prevailing prices of crude oil, natural gas and NGLs could have a material adverse effect on the operations and financial condition of counterparties. The Company also has credit risk arising from cash and cash equivalents held with banks and financial institutions.

### **Interest Rates**

The Company is exposed to interest rate risk principally by virtue of our borrowings. Borrowing at floating rates exposes the Company to movements in interest rates. Borrowing at fixed rates exposes the Company to reset risk associated with debt maturity. Variations in interest rates and schedule principal repayments could result in changes in the amount required to service debt, which may negatively impact our cash flows and financial condition.

### **Competitive Risk**

The global oil and gas industry is highly competitive. The Company faces significant competition and many of our competitors have resources in excess of our available resources. We actively compete for the acquisition and divestment of properties, the exploration for and development of new sources of supply, the contractual services for oil and gas drilling and production equipment and services, the transportation and marketing of current production,

and industry personnel, including, but not limited to, geologists, geophysicists, engineers and other specialists that enable the business. Many of our competitors have the ability to pay more for seismic and lease rights in crude oil and natural gas properties and exploratory prospects. They can define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit. If we are not successful in the competition for oil and gas reserves or in the marketing of production, our financial condition and results of operations may be adversely affected. Many of our competitors have resources substantially greater than our and, as a consequence, the Company may be at a competitive disadvantage. The petroleum industry also competes with other industries in supplying energy, fuel and related products to consumers. Some of these industries benefit from lighter regulation, lower taxes and subsidies. In addition, certain of these industries are less capital intensive.

### **Income Taxes**

Income tax laws, other laws or government incentive programs relating to the oil and gas industry may in the future be changed or interpreted in a manner that adversely affects the Company and our shareholders. Tax authorities having jurisdiction over the Company or our securityholders may disagree with how the Company calculates our income for tax purposes or tax liabilities or structure our arrangements, or could change their administrative practices, to the detriment of the Company or our securityholders. The Company is also subject to income tax audit and reassessment risks, the outcome of which may result in reduction in our tax pools, loss carry-forwards, or even cash tax liabilities. Reduction in our future income tax deductibility and any cash tax payable will lower our future cash flows and negatively impact its financial condition.

### **Inflation**

The Company does not believe that inflation has had a material effect on our business, financial condition or results of operations to date; however, if the Company's development, operation or labour costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in commodity prices. Inability or failure to do so could harm the Company's business, financial condition and results of operations.

### **Abandonment and Reclamation Costs**

The Company is required to abandon and reclaim all of its projects at the end of their economic life. These costs will be substantial. The estimate for abandonment and reclamation costs are based on several sources including guidelines from provincial regulators, historical data from operations, and management's estimation of costs to remediate, reclaim and abandon wells and facilities in which it has a working interest. Changing legislative requirements may result in increased costs or accelerate the time in which clean up may occur. There can be no assurance that the Company will be able to satisfy its future abandonment and reclamation obligations.

Recently, as a result of the prolonged downturn in the oil and gas industry the number of orphan wells (wells owned by insolvent parties) has increased. The cost of abandoning orphan wells has largely been funded by industry. Accordingly, the increase in the number of orphan wells could result in an increase in fees or assessments to other oil and gas producers, such as Prairie Provident, to fund the abandonment and reclamation of these orphan wells.

### **Environmental Risks**

#### *General*

All phases of our oil, natural gas and NGL business are subject to environmental regulation pursuant to a variety of laws and regulations in the jurisdictions in which we do business (collectively, "**environmental regulation**").

Environmental regulation imposes, among other things, restrictions, liabilities and obligations in connection with the use, generation, handling, storage, transportation, treatment and disposal of chemicals, hazardous substances and waste associated with the finding, production, transmission and storage of our products, including the hydraulic fracturing of wells, the decommissioning of facilities and in connection with spills, releases and emissions of various substances to the environment. It also imposes restrictions, liabilities and obligations in connection with the

management of fresh or potable water sources that are being used, or whose use is contemplated, in connection with oil and natural gas operations.

Environmental regulation also requires that wells, facility sites and other properties associated with our operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations including exploration and development projects and changes to certain existing projects may require the submission and approval of environmental impact assessments or permit applications. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties.

Although the Company currently believes that the costs of complying with environmental legislation and dealing with environmental civil liabilities will not have a material adverse effect on our financial condition or results of operations, there can be no assurance that such costs will not have such an effect in the future.

Our business is subject to the trend toward increased rigour in regulatory compliance and civil or criminal liability for environmental matters in Canada. Compliance with environmental legislation can require significant expenditures, and failure to comply with environmental legislation may result in the assessment of administrative, civil and criminal penalties, the cancellation or suspension of regulatory permits, the imposition of investigatory or remedial obligations or the issuance of injunctions restricting or prohibiting certain activities. Under existing environmental laws and regulations, the Company could be held strictly liable for the remediation of previously released materials or property contamination resulting from our operations, regardless of whether those operations were in compliance with all applicable laws at the time they were performed. Regulatory delays, legal proceedings and reputational impacts from an environmental incident could result in a material adverse effect on our business. Increased stakeholder concerns and regulatory actions regarding shale gas development could lead to third party or governmental claims, and could adversely affect our business and financial condition.

#### *Hydraulic Fracturing*

The Company utilizes horizontal drilling, multi-stage hydraulic fracturing, specially formulated drilling fluids and other technologies in its drilling and completion activities. Hydraulic fracturing is a method of increasing well production by injecting fluid under high pressure down a well, which causes the surrounding rock to crack or fracture. The fluid typically consists of water, sand, chemicals and other additives and flows into the cracks where the sand remains to keep the cracks open and enable natural gas or liquids to be recovered. Fracturing fluids flow back to the surface through the wellbore and are stored for reuse or future disposal in accordance with regional regulations, which may include injection into underground wells. The design of the well bores protects groundwater aquifers from the fracturing process.

Hydraulic fracturing has been in use for some time in the oil and gas industry; however, the proliferation of fracturing in recent years to access hydrocarbons in unconventional reservoirs, such as shale formations, has given rise to public concerns about the environmental impacts of this technology. Public concern over the environmental impacts of the hydraulic fracturing process has focused on a number of issues, including water aquifer contamination; other qualitative and quantitative effects on water resources as large quantities of water are used and injected fluids either remain underground or flow back to the surface to be collected, treated and disposed; and the potential for fracturing activities to induce seismic events. Regulatory authorities in certain jurisdictions have announced initiatives in response to such concerns. Federal, provincial, territorial and local legislative and regulatory initiatives relating to hydraulic fracturing, as well as governmental reviews of such activities, could result in increased costs, additional operating restrictions or delays, and adversely affect our production. Public perception of environmental risks associated with hydraulic fracturing can further increase pressure to adopt new laws, regulation or permitting requirements, or lead to regulatory delays, legal proceedings and/or reputational impacts. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs and third party or governmental claims. They could also increase our costs of compliance and doing business as well as delay the development of hydrocarbon (natural gas and oil) resources from shale formations, which may not be commercial without the use of hydraulic fracturing.

If legal restrictions are adopted in jurisdictions in which the Company is currently conducting or in the future plans to conduct operations, we may incur additional costs to comply with such requirements that may be significant in nature,

experience delays or curtailment in the pursuit of exploration, development, or production activities, and perhaps even be precluded from the drilling of wells. In addition, if hydraulic fracturing becomes more regulated, our fracturing activities could become subject to additional permitting requirements and result in permitting delays as well as potential increases in costs. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that the Company is ultimately able to produce from our reserves. It is anticipated that federal, provincial and territorial regulatory frameworks to address concerns related to hydraulic fracturing will continue to emerge. While the Company is unable to predict the impact of any potential regulations upon our business and affairs, the implementation of new regulations with respect to water usage or hydraulic fracturing generally could increase our costs of compliance, operating costs, the risk of litigation and environmental liability, or negatively impact our prospects, any of which may have a material adverse effect on our business, financial condition and results of operations.

British Columbia requires mandatory public disclosure of hydraulic fracturing fluid ingredients under the *Drilling and Production Regulation* and the provincial government has an online registry providing public access to information on fractured well locations and hydraulic fracturing fluid ingredients. In Alberta, the AER has issued multiple directives relating to hydraulic fracturing operations. AER Directive 083: *Hydraulic Fracturing - Subsurface Integrity* requires licensees to demonstrate that operational risks have been considered in the selection and design of wellbore construction and that licensees monitor and test such wellbores to ensure that well integrity is maintained. It also subjects licensees conducting hydraulic fracturing above or within 100 metres below the base of groundwater protection to conduct a risk assessment. AER Directive 059: *Well Drilling and Completion Data Filing Requirements* requires disclosure of hydraulic fracturing fluid composition and water source data on a well-to-well basis within 30 calendar days from conclusion of an operation. In addition, due to seismic activity reported in some active oil and gas areas of Alberta, the AER has implemented seismic monitoring and reporting requirements for hydraulic fracturing operators in the certain zones in such areas.

Additionally, the Federal Government and certain Canadian provincial governments continue to review certain aspects of the scientific, regulatory and policy framework under which hydraulic fracturing operations are conducted. At present, most of these governments are primarily engaged in the collection, review and assessment of technical information regarding the hydraulic fracturing process and have not provided specific details with respect to any significant actual, proposed or contemplated changes to the hydraulic fracturing regulatory construct. In particular, a scientific study commissioned by the British Columbia government regarding the environmental impacts of hydraulic fracturing for oil and gas in British Columbia found the regulatory framework to be robust, while also identifying areas for improvement. However, certain environmental and other groups have suggested that additional federal, provincial, territorial and municipal laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water sources.

Further, certain governments in jurisdictions where we do not currently operate have considered or implemented moratoriums on hydraulic fracturing pending further study, and some governments have adopted, and others have considered adopting, regulations that could impose more stringent permitting, disclosure and well construction requirements on hydraulic fracturing operations. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs or third party or governmental claims, and could increase our cost of compliance and doing business as well as reduce the amount of natural gas and oil that we are ultimately able to produce from our reserves.

Although the Company cannot predict with any degree of certainty the total impact of potential future regulations upon our business and affairs, it is possible that we could face increased operating costs or curtailment of production in order to comply with legislation governing emissions and hydraulic fracturing.

### *Seismicity*

Seismicity events have been recorded as occurring at the same time that the Company has been conducting hydraulic fracturing and related operations. Although the size of these events is considered light, they raise stakeholder and regulatory concerns. In addition, if monitoring seismicity becomes more regulated, our fracturing activities could become subject to additional permitting requirements and result in delays as well as potential increases in costs. Restrictions on hydraulic fracturing due to a perceived correlation to seismicity could also reduce the amount of oil and natural gas that the Company is ultimately able to produce from its reserves in the affected areas.

### *Greenhouse Gas Emissions*

The direct or indirect costs of compliance with these GHG emissions-related legislation may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, potential new or additional GHG legislation and associated compliance costs, in particular in association with the adoption of the Paris Agreement under the UNFCCC, may have a material impact on the Company. See "*Industry Conditions - Climate Change Regulation*" in this AIF.

A draft of the *Clean Fuel Regulations* were released in December 2020 and were open for public comment until March 3, 2021. As proposed, the Clean Fuel Regulations only apply to liquid fuels, not gaseous and solid fuels, and will apply to producers, distributors or importers of gasoline, diesel, kerosene and light and heavy fuel oils. The Clean Fuel Regulations in its final form could impose additional costs to the Company's operations, which may have a material adverse effect on the Company's results of operations. On June 20, 2022, the final Clean Fuel Regulations were published and came into force.

Current GHG emissions legislation does not result in material compliance costs, but compliance costs may increase in the future as the federal benchmark carbon price rises in accordance with the GGPPA and may impact our operations and financial results. Given the evolving nature of the debate related to climate change and the control of GHG and resulting requirements, it is not possible to predict the impact of such matters on our operations and financial condition at this time.

### *Environmental and Decommissioning Liabilities*

Despite our implementation of health, safety and environmental standards, there is a risk that accidents or regulatory non-compliance can occur, the outcomes of which, including remedial work or regulatory intervention, cannot be foreseen or planned for. The Company expects to incur site restoration costs over a prolonged period as existing fields are depleted. The process of estimating decommissioning liabilities is complex and involves significant uncertainties concerning the timing of the decommissioning activity; legislative changes; technological advancement; regulatory, environmental and political changes; and the appropriate discount rate used in estimating the liability. Any change to these assumptions could result in a change to the decommissioning liabilities to which we are subject. In addition, particularly with respect to operations for which the Company is not the operator and may not determine cost estimates or the timing of decommissioning, cost overruns are possible. Moreover, the Company is often jointly and severally liable for the decommissioning costs associated with our various operations and could, therefore, be required to pay more than its net share.

Regulatory changes may impact the Company's ability to transfer our licences, approvals or permits, and may result in increased costs and delays or require changes to, or the abandonment of, projects and transactions. As a result of the current economic environment, the number of orphaned wells in Alberta has increased significantly and, accordingly, the aggregate value of the abandonment and reclamation liabilities assumed by the OWA in Alberta has increased and may continue to increase. While the *Redwater Decision* of the SCC may reduce the abandonment and reclamation liabilities ultimately assumed by the OWA in the long-term, their abandonment and reclamation liabilities will remain at elevated levels until a significant number of orphaned wells are decommissioned. As a result, the OWA may seek additional funding for such liabilities from industry participants, including the Company, through an increase in its annual levy, further changes to regulations or other means. While the impact on the Company of any legislative, regulatory or policy decisions cannot be reliably or accurately estimated, any cost recovery or other measures taken by applicable regulatory bodies may impact the Company and materially and adversely affect, among other things, our business, financial condition, results of operations and cash flows.

### *Emerging Risks*

The implementation of any tariffs by the United States, as well as retaliatory tariffs imposed by Canada in response and any further potential tariff response strategy by either country may create uncertainty, which has permeated the economic and investment outlook, impacting current economic conditions, including such issues as the inflation rate and the global supply chain. Aside from its impact on the global economy, the new tariff conflict may have an adverse effect on the Company's business, financial condition, results of operations and prospects, which adverse effect could prove to be material over time.

In light of these recent developments, the Company is closely monitoring the impacts and potential consequences on its business, financial condition, results of operations and prospects. Given these circumstances, this conflict may put into perspective many of the top and emerging risks to which the Company is exposed, including credit risk, commodity pricing and market risk, liquidity and funding risk, operational risk, strategic risk and third-party risk. The extent to which the Company's business, financial condition, results of operations and prospects will be affected depends largely on the nature and duration of uncertain and unpredictable events, such as the duration or escalation of the tariffs, the evolution of retaliatory measures, possible fiscal or monetary policy responses, and reactions to ongoing changes by global financial markets.

### **LEGAL PROCEEDINGS**

In March 2001, a predecessor of PPR Canada acquired interests in certain heavy oil assets in the Eyehill Creek area of Alberta from certain predecessors of Encana Corporation. In 2003, IFP Technologies (Canada) Inc. ("IFP") commenced an action in the Court of Queen's Bench of Alberta against Encana Corporation and certain of its predecessors and affiliates and against certain predecessors of PPR Canada, claiming, among other things, \$45.6 million in damages for breach of contract and lost opportunity or, alternatively, an accounting of 20% of the net revenue from primary production conducted by PPR Canada's predecessors from the acquired properties. At the outset of the trial in 2011, IFP amended its claim to increase the damages sought to \$56.7 million, plus interest and costs. In a decision issued in 2014, the Court of Queen's Bench of Alberta ruled in favour of the defendants and dismissed IFP's claim. IFP subsequently appealed the trial decision to the Court of Appeal of Alberta, challenging the lower court's findings on liability and its provisional assessment of damages. The appeal was heard in the fourth quarter of 2015. In May 2017, in a two-to-one majority decision, the Court of Appeal allowed the appeal and held that IFP has a 20% working interest in the Eyehill Creek properties. The Court found that IFP is entitled to an accounting for its proportionate share of the net revenue realized from primary production at Eyehill Creek, and remitted the calculation of net revenue to the Court of Queen's Bench for determination. In August 2017, the defendants applied to the SCC for leave to appeal the Court of Appeal decision. In April 2018, the SCC refused leave to appeal, with the result that IFP is, pursuant to the Court of Appeal decision, entitled to an accounting for profits from the affected properties from 2002 forward. A trial on the calculation of net revenue from primary production at Eyehill Creek was held in June 2022 before the Court of King's Bench of Alberta. In a decision released in December 2022, which was largely in favour of the defendants' proposed calculation methodology, the Court provided a series of directions for calculating the net revenue amount. IFP filed an appeal on January 3, 2023, and the defendants filed a cross-appeal on January 13, 2023. In late November 2024, the Alberta Court of Appeal issued a decision on the appeal, which primarily (but not exclusively) found in favour of the defendants' position with respect to the main issues on appeal. The parties were left to agree the present value of IFP's share of future abandonment costs as well as the amount of royalties paid (and to in turn be deducted when calculating net revenue), based on the direction contained in the Court of Appeal's decision, failing which these amounts will be determined by the Alberta Court of King's Bench. Although the case is not yet resolved, the Company does not expect to have any material financial liability arising from the claim..

Except as set out in the preceding paragraph, the Company is and was not during 2025 a party to, and its property is and was not during 2025 the subject of, any legal proceedings that involves a claim for damages (exclusive of interest and costs) in an amount greater than 10% of the Company's current assets, and the Company does not know of any such legal proceeding to be contemplated.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as disclosed in this AIF, no director, executive officer, or person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Common Shares, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years of the Company or during the current financial year, that has materially affected or that would materially affect the Company.

### **TRANSFER AGENT AND REGISTRAR**

Alliance Trust Company, Calgary, Alberta, is the appointed transfer agent and registrar for the Common Shares.

### **MATERIAL CONTRACTS**

Neither Prairie Provident nor any of its subsidiaries is a party to any contract entered into outside of the ordinary course of business that is material to the Company.

### **INTERESTS OF EXPERTS**

No person or company whose profession or business gives the authority to a report, valuation, statement or opinion prepared or certified by it, which is described, included or referred to in a filing made by Prairie Provident under NI 51-102 during, or relating to, its most recently completed financial year, other than Ernst & Young LLP, our independent auditor, and Trimble, our independent qualified reserves evaluator under NI 51-101.

The designated professionals of Trimble as a group, at the time of preparing its report, held less than 1% of any class of outstanding securities of Prairie Provident or its associates or affiliates, confirmed in the signed certificates included in the report titled *Evaluation of the P&NG reserves of Prairie Provident Resources Inc. (as of December 31, 2025)*, and thereafter none received or is to receive any registered or beneficial interest, direct or indirect, in any securities or other property of Prairie Provident or any of its associates or affiliates.

Ernst & Young LLP has advised they are independent with respect to the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

### **ADDITIONAL INFORMATION**

Additional information relating to Prairie Provident is filed under its issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), including financial information provided in its comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2025. In addition, information regarding remuneration and compensation of the Company's directors and officers, principal shareholders and securities authorized for issuance under equity compensation plans, is contained in the information circular for the most recent meeting of Prairie Provident shareholders involving the election of directors.

## SCHEDULE A

### Form 51-101F2

#### Report on Reserves Data by Independent Qualified Reserves Evaluator

To the Board of Directors of Prairie Provident Resources Inc. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2025. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook"), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2025, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management:

Independent Qualified Reserves Evaluator or Auditor	Effective Date	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited	Evaluated	Reviewed	Total
Trimble Engineering Associates Ltd.	Reserve and Present Worth Appraisal Effective December 31, 2025	Canada	Nil	\$243,830,500	Nil	\$243,830,500

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report, entitled "Prairie Provident Resources Inc., Reserve and Present Worth Appraisal of Certain Oil & Gas Properties, December 31, 2025".
8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Calgary, Alberta/Canada February 2, 2026

Trimble Engineering Associates Ltd.

*(signed and sealed) "Stephen Trimble"*

ID 51773  
Date: February 2, 2026  
Stephen Trimble, P. Eng

Trimble Engineering Associates Ltd.  
APEGA Permit Number P000544

*(signed) "Stephen Trimble"*

Stephen Trimble, P. Eng  
Date: February 2, 2026  
RM APEGA ID #: 51773

## SCHEDULE B

### Form 51-101F3

#### Report of Management and Directors on Oil and Gas Disclosure

Management of Prairie Provident Resources Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

DATE: March 31, 2026

*(signed) "Dale Miller"*

\_\_\_\_\_  
Dale Miller  
Executive Chairman

*(signed) "Richard Greenough"*

\_\_\_\_\_  
Rich Greenough  
Interim Chief Financial Officer

*(signed) "Glenn Hamilton"*

\_\_\_\_\_  
Glenn Hamilton  
Director

*(signed) "Matthew Shyba"*

\_\_\_\_\_  
Matthew Shyba  
Director

## SCHEDULE C

### AUDIT COMMITTEE CHARTER

\* \* \* \* \*



### PRAIRIE PROVIDENT RESOURCES INC.

#### AUDIT COMMITTEE CHARTER

This Charter of the Audit Committee (the "Committee") of the board of directors (the "Board") of Prairie Provident Resources Inc. (the "Corporation") is adopted by the Board as of September 13, 2016.

#### **A. Purpose**

The Board has established the Committee for the principal purpose of assisting the Board in fulfilling its oversight responsibilities regarding (i) the integrity of the Corporation's financial statements and related accounting, financial reporting and audit processes, (ii) internal accounting and financial control systems and procedures, and disclosure controls and procedures, (iii) the qualification and performance of the Corporation's independent auditors ("Auditor"), and (iv) the Corporation's risk management strategies, and compliance by the Corporation with applicable legal requirements relating thereto.

While the Committee has the responsibilities set forth in this Charter, the role of the Committee is one of oversight and counsel. It is not the duty of the Committee to assure the Corporation's compliance with legal or regulatory requirements or corporate policies, or to assume the responsibilities of management of the Corporation ("Management"). In particular, the Committee is not responsible for planning or conducting financial audits or determining that the Corporation's financial statements are complete and accurate and in accordance with International Financial Reporting Standards ("IFRS"), or for planning or conducting audits. These matters are the responsibility of Management and the Auditor.

The Committee is authorized to conduct or authorize investigations into any matter that is within the scope of the powers and responsibilities delegated to the Committee, with full and unrestricted access to all books, records, facilities and personnel of the Corporation and its subsidiaries and (without limiting Part D of this Charter) the authority to engage and instruct independent counsel and such accounting and other advisors as it determines necessary or appropriate to perform its responsibilities.

#### **B. Composition**

The Committee shall consist of at least three (3) members of the Board, all of whom shall be independent under applicable securities laws pertaining to audit committees. All Committee members must also be financially literate, as determined by the Board in its business judgment, and satisfy all other requirements of applicable corporate and securities laws and stock exchange requirements regarding audit committee membership. Determinations as to whether the appointment of any particular director to the Committee meets applicable qualification criteria shall be made by the Board.

The Board shall annually appoint the members of the Committee and designate one such member to serve as Chair of the Committee, and in connection therewith review and confirm their independence and qualification.

### **C. Responsibilities**

In furtherance of its purpose the Committee shall have the following responsibilities, and in addition to the activities specifically described in this Charter may conduct such activities incidental thereto that the Committee determines to be appropriate or as may otherwise be delegated to it from time to time by the Board:

#### ***Financial Reporting and Disclosure***

- review, with Management and the Auditor, the Corporation's compliance with applicable legal and regulatory requirements regarding financial reporting and disclosure;
- review, with Management and the Auditor, significant accounting and financial reporting practices of the Corporation and related disclosure issues, including with respect to complex or unusual transactions, judgment areas such as reserves or estimates, and significant changes to accounting principles or policies, with a view to obtaining reasonable assurance as to the appropriateness of the Corporation's accounting and financial reporting practices and the fair presentation of the Corporation's financial statements in accordance with IFRS;
- review, with Management and the Auditor, their views on the appropriateness and quality (versus bare acceptability) of the Corporation's accounting principles and the degree of aggressiveness or conservatism of its accounting principles and underlying estimates;
- review, with Management and the Auditor, the identification of, accounting for and disclosure of transactions, arrangements and/or relationships with related parties;
- review new or proposed developments in accounting and financial reporting standards, or related legal or regulatory requirements, that could reasonably be expected to affect the Corporation;
- review, with Management and the Auditor, actual or anticipated litigation, contingencies or other events that could reasonably be expected to materially affect the Corporation's financial statements, and their disclosure in the financial statements;
- review, with Management and the Auditor, any "off-balance sheet" transactions or arrangements with unconsolidated entities or other persons, or that may have a material effect on the Corporation's financial statements;
- satisfy itself that adequate procedures are in place for review of the Corporation's external disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures;
- review, with the Chief Executive Officer and Chief Financial Officer of the Corporation, the procedures undertaken in connection with any required certifications provided by such officers in respect of the annual or interim financial statements of the Corporation and any related management's discussion and analysis ("MD&A") or similar disclosure documents;
- review the annual and interim financial statements and any related MD&A with Management and the Auditor prior to the filing of such documents with applicable regulatory authorities or their public dissemination, and make recommendations to the Board regarding the approval of such documents;
- review earnings news releases (paying particular attention to any non-IFRS information contained therein) and any financial information or earnings guidance provided to analysts or rating agencies;

***Internal Controls***

- at least annually, review with Management and the Auditor the adequacy and effectiveness of the Company's accounting and financial control systems and procedures, and elicit recommendations for improvement;
- review, with Management, the Auditor and any third party engaged to provide advice on the subject, the design, evaluation, effectiveness and integrity of the Corporation's internal controls over financial reporting and disclosure controls and procedures;
- review any conclusions or analyses of Management, the Auditor and any third party engaged to provide advice on the subject, whether in connection with a certification process in respect of the annual or interim financial statements of the Corporation or otherwise, regarding the effectiveness of the Corporation's internal controls over financial reporting or disclosure controls and procedures, and any material weakness or deficiency relating to the design or operation of internal controls, and Management's response to any identified weakness or deficiency;
- obtain reasonable assurance from Management as to the payment by the Corporation to appropriate governmental authorities of all amounts required by applicable laws, including withholding taxes;
- review and oversee the investigation of any allegation of fraud, illegality or other impropriety against or otherwise involving Management or other personnel who have a role in the Corporation's internal controls, or relating in any way to the Corporation's financial position, accounting practices, internal controls, financial reporting or external disclosure;
- establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- as applicable, review and approve the internal audit function (if any) for the Corporation, including with respect to scope, authority and internal reporting channels, and any annual audit plan and related budget and staffing requirements, and periodically meet with the personnel responsible for the internal audit function (if any) separately from Management;
- review any correspondence with governmental or regulatory authorities, any internal complaints and any published third party reports concerning the Corporation's financial position, accounting practices, internal controls, financial reporting or public disclosure;

***Independent Auditors***

- subject to requisite shareholder approvals, review and determine appointment or termination of the Auditor;
- review the independence, professional qualification and performance of the Auditor;
- oversee and approve (including by way of pre-approval with respect to non-audit services) all audit or non-audit engagements of the Auditor by the Corporation or any subsidiary, and approve the terms of engagement (including compensation);
- require that the Auditor report directly to the Committee;
- determine whether to pre-approve the provision of non-audit services by the Auditor to the Corporation or any subsidiary, and establish the scope and limits of any such pre-approval, with the Chair of the Committee having the delegated authority to grant such pre-approval on behalf of the Committee;

- in connection with any non-audit services to be provided by the Auditor, consider whether the provision of such services is compatible with the Auditor's independence;
- consider and resolve any disagreements or unresolved issues between Management and the Auditor;
- establish hiring policies regarding partners, employees and former partners and employees of the Corporation's current and former Auditors;
- review, with Management and the Auditor, the annual audit and quarterly review plans for the current year, including the scope thereof and procedures to be used;
- at the conclusion of each annual audit, review the audit directly with the Auditor and inquire into any problems or difficulties encountered, comments or recommendations of the Auditor, and Management responses;
- report the results of the annual audit to the Board;
- at least annually, obtain and review a report from the Auditor regarding: (i) its relationship(s) with the Corporation; (ii) its internal quality-control procedures; (iii) any material issues raised by its most recent internal quality-control review (or peer review), or by any inquiry or investigation by governmental or professional authorities, within the preceding 5 years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues;
- review all material written communications between the Auditor and the Corporation, including any post-audit or management letter containing the recommendations of the Auditor, Management's response, and subsequent follow up on any identified weakness;
- at least once per fiscal quarter meet with responsible Management and the Auditor, together and also separately, to discuss and obtain feedback with respect to the annual audit or interim review process generally, significant accounting policies, alternatives discussed with Management, any preferences of the Auditor as between available alternatives, any restrictions or limitations imposed by Management or otherwise experienced by the Auditor, Management's response to any proposed adjustments identified by the Auditor, any disagreements or unresolved issues, the Auditor's evaluation of the Corporation's financial and accounting personnel, issues and concerns generally, and any other matters raised by Management, the Auditor or any Committee member;
- obtain reasonable assurance as to compliance by the Auditor with any applicable legal or professional requirements regarding partner rotation;

### ***Risk Management***

- review, with Management and the Auditor, the Corporation's assessment of its major financial risk exposures and the steps taken by Management to monitor and manage such exposures;
- review the Corporation's risk management policies and procedures concerning its principal business risks, and discuss with Management the Corporation's significant risk exposures and steps taken to monitor and mitigate such exposures;
- review the Corporation's commodity price, financial and credit risk management activities, including oil and natural gas, foreign currency and interest rate hedging activities and the use of derivative instruments;
- review the Corporation's insurance program;

- review, through discussions with Management, the Auditor and appropriate advisors, the Corporation's compliance with applicable legal or regulatory requirements and internal policies and procedures;
- review any completed or proposed related party transactions involving the Corporation or any subsidiary, including with respect to actual and potential conflicts of interest and appropriate approval processes;

***Other***

- maintain free and open communication among and between the Committee, the Board, the Auditor and Management;
- regularly review with Management any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, and performance and independence of the Auditor;
- review reports and analyses prepared by the Auditor and Management with respect to any matters contemplated by this Charter;
- report to the Board on Committee activities (including review of any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements or the performance and independence of the Auditor) and make recommendations to the Board regarding any of the matters described in this Charter;
- develop and recommend to the Board such corporate policies as the Committee may from time to time determine to be appropriate in furtherance of its responsibilities;
- facilitate direct communication to the Committee, through the Chair of the Committee, by the Auditor and the internal auditor (if any);
- conduct an annual evaluation of the Committee's performance of its responsibilities under this Charter, and report to the Board on such evaluation and its results; and
- periodically review (at least annually) this Charter and any approved position description for the Chair of the Committee, including in light of any changes in law or updated regulatory guidance, and recommend to the Board such revisions (if any) as the Committee may determine to be appropriate.

Notwithstanding the responsibilities described herein, nothing in this Charter is intended to create, or shall be construed as creating, any personal duty or liability on the part of any Committee member or other director of the Corporation, beyond those duties and liabilities specifically provided for under applicable law.

**D. Administrative Matters**

- Meetings. The Committee shall meet on a regularly-scheduled basis at least four (4) times per year, and on such other occasions as the members of the Committee may from time to time determine or as the Board Chair or Chief Executive Officer of the Corporation may request. Unless otherwise specified in the articles or by-laws of the Corporation or this Charter, the time and place for Committee meetings, and the procedure for calling and holding such meetings, shall be determined by the Committee.
- Quorum. A majority of Committee members, present in person, or participating by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other, shall constitute a quorum at any meeting of the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

- Change of members. The Board may at any time and from time to time remove or replace any member of the Committee, and may fill any vacancy on the Committee.
- Term of appointment. Each Committee member shall hold office as such until the close of the next annual meeting of shareholders of the Corporation following the date of his or her appointment (or re-appointment, as applicable), or until he or she resigns, is replaced or for any reason ceases to be a director, whichever first occurs.
- Attendance by others. The Committee or the Chair may, in its discretion, invite such other directors, officers and employees of the Corporation, the Auditor, outside legal counsel and other advisors as it sees fit to attend at all or any portion of any Committee meeting. A director who attends a Committee meeting but is not a member of the Committee shall not be entitled to vote on any matter before the Committee.
- Chair. The Chair of the Committee shall preside at all Committee meetings (including in camera sessions); provided that for any meeting in respect of which the Chair is absent (or there is a vacancy in the position of Chair), the other Committee members may choose one of their number to act as Chair for that meeting. The Chair of the Committee shall approve the agenda for Committee meetings in consultation with the Board Chair, appropriate executive officers of the Corporation and, as considered appropriate by the Committee Chair, other directors. Any Committee member may request that additional items be included on the agenda for a Committee meeting.
- Notice to independent auditors. Notice of Committee meetings shall be given to the Auditor, who shall have the right to appear before and be heard at any Committee meeting.
- Meeting on request of independent auditors. The Chair of the Committee shall, upon the request of the Auditor, call a meeting of the Committee to consider any matter that the Auditor wishes to bring forward.
- Advisers. The Committee shall have the authority to engage, at the Corporation's expense, independent legal counsel and such other advisers of its choosing as it may, in its discretion, from time to time determine to be appropriate in the performance of its responsibilities, and to determine the terms of engagement. The fees and expenses of such independent legal counsel and other advisors will be subject to the approval of the Chair of the Committee and paid by the Corporation.
- Funding. The Corporation shall provide the Committee with such funding as the Committee may require to pay the fees and expenses of any independent legal counsel or other adviser engaged by the Committee, and any ordinary administrative expenses incurred by the Committee in the performance of its responsibilities.
- Access to information and personnel. Without limiting their rights as members of the Board to receive and have access to information concerning the Corporation, the Committee shall, in the performance of its responsibilities, have the right to: (i) inspect any and all books and records of the Corporation; (ii) directly contact (through the Chair of the Committee) and meet with any officer, employee or consultant of the Corporation or any of its subsidiaries, or the Auditor; and (iii) discuss with any such officer, employee or consultant, or the Auditor, the information contained in such books and records and any other information or matter that the Committee determines to be appropriate.
- In camera sessions. Unless the Committee determines it to be impracticable in respect of any particular meeting, the Committee members shall hold an in camera session without Management at each regular Committee meeting.
- Minutes. Minutes shall be kept of all Committee meetings.
- Delegation. The Committee shall have the authority, in its discretion and as permitted by applicable law, to delegate to its Chair, any one or more of its members, or any subcommittee it may choose to form, its responsibility for, and authority with respect to, any matter or matters contemplated by this Charter; provided

that unless expressly authorized by the Committee such delegated authority shall not include the authority to engage independent legal counsel or other experts or advisers.