Prairie Provident Resources Announces Third Quarter 2024 Financial and Operating Results and Basal Quartz Drilling Update

Calgary, Alberta – November 14, 2024 – Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX:PPR) announces its financial and operating results for the three and nine months ended September 30, 2024. The Company's condensed interim consolidated financial statements ("Financial Statements") for the three and nine months ended September 30, 2024 and related Management's Discussion and Analysis ("MD&A") for the third quarter are available on its website at www.ppr.ca and filed on SEDAR+ at www.sedarplus.ca.

THIRD QUARTER 2024 FINANCIAL AND OPERATING HIGHLIGHTS

- Production averaged 2,173 boe/d (55% oil and liquids) in the third quarter of 2024, a 38% or 1,350 boe/d decrease from the same period in 2023, primarily due to the sale of the Evi CGU in the first quarter of 2024.

- Operating expenses of $26.93/boe in the third quarter of 2024, a decrease of $0.95/boe from the same period in 2023.

- The Company spent $1.1 million in the third quarter of 2024 as part of a workover program, which included both well optimization and workovers, resulting in a 6.3% increase in the average production for the third quarter of 2024 when compared to the average production of 2,045 boe/d (52% oil and liquids) in the second quarter of 2024.

- Operating netback[1] before the impact of realized losses on derivatives was $2.6 million or $13.20/boe for the third quarter of 2024, a decrease of $6.8 million or 72% from the same period in 2023. On a per boe basis, operating netback decreased by $15.95/boe from the same period in 2023 driven by lower crude oil and natural gas prices and a higher natural gas production weighting as a result of the sale of the Evi CGU.

- Net income for the third quarter of 2024 was $5.2 million, compared to a net loss of $2.7 million in the same period of 2023. The $7.9 million increase was mainly due to $10.9 million gain on the extinguishment of financial liabilities as further described in Note 8(c) of the Financial Statements.

- The Company remained active in its decommissioning program spending $1.9 million during the first nine months of 2024.

Note:

(1) Operating netback is a non-GAAP financial measure, and is defined below under "Non-GAAP and Other Financial Measures".

SUBSEQUENT TO THE END OF THE QUARTER

- On October 30, 2024, the Company announced the appointment of Dale Miller as Executive Chairman of the Company upon the retirement of Patrick McDonald, its former Chairman, from the board of directors. Mr. Miller will oversee all activities of the Company and lead its management team. In addition, the Company announced the appointment of Amber Wright as Vice President, Operations & Engineering. Ms. Wright will be responsible for all development, production operations and engineering activities of the Company.

- The Company wishes to sincerely thank Mr. McDonald for his many years of dedicated service and contributions as a director and Chairman.

- On October 30, 2024, the Company closed a Rights Offering in which aggregate gross proceeds of $12,000,000 were raised (inclusive of a $10,000,000 initial subscription from PCEP Canadian Holdco, LLC (“PCEP”), which closed on September 27, 2024). Net proceeds from the Rights Offering are expected to fund a capital program focused on drilling at least two wells in the Basal Quartz formation (as discussed below), workovers to enhance the productivity of existing wells and general corporate purposes. A portion of the net proceeds of the Rights Offering was also used to settle a US$2.3 million advance under the Company’s Second Lien Note facility, by way of a $3.13 million setoff (being the Canadian dollar equivalent of the advance) against the subscription price paid by PCEP under the Rights Offering.

- The successful closing of the Rights Offering satisfied all requisite conditions to the previously announced amendments to the Company’s First Lien Loan. These amendments consisted of extending the maturity of the First Lien Loan to March 31, 2026, deferring a portion of the Company’s cash interest obligations, as well as adjustments to financial covenants. Similar amendments were also made to the Company’s Second Lien Notes.

- In Prairie Provident's Michichi core area, two horizontal wells were drilled and completed for Basal Quartz oil potential. The two wells are currently being equipped for production and are expected to be on-stream by the end of November 2024.

FINANCIAL AND OPERATING SUMMARY

	Three Months Ended September 30		Nine Months Ended September 30	
($000s except per unit amounts)	**2024**	2023	**2024**	2023
Production Volumes				
Crude oil and condensate (bbl/d)	**1,118**	2,155	**1,202**	2,237
Conventional natural gas (Mcf/d)	**5,846**	7,685	**6,088**	7,648
Natural gas liquids (bbl/d)	**81**	88	**68**	95
Total (boe/d)	**2,173**	3,523	**2,285**	3,606
% Liquids	**55%**	64%	**56%**	65%
Average Realized Prices				
Crude oil and condensate ($/bbl)	**86.44**	97.97	**86.21**	88.93
Conventional natural gas ($/Mcf)	**0.69**	2.60	**1.55**	2.69
Natural gas liquids ($/bbl)	**51.56**	54.77	**61.93**	57.85
Total ($/boe)	**48.25**	66.95	**51.33**	62.39
Operating Netback ($/boe)[1]				
Realized price	**48.25**	66.95	**51.33**	62.39
Royalties	**(8.12)**	(9.92)	**(8.00)**	(8.55)
Operating costs	**(26.93)**	(27.88)	**(33.47)**	(31.90)
Operating netback	**13.20**	29.15	**9.86**	21.94
Realized losses on derivatives	**—**	(0.99)	**(0.77)**	(0.64)
Operating netback, after realized losses on derivatives	**13.20**	28.16	**9.09**	21.30

Note:

(1) Operating netback is a non-GAAP financial measure and is defined below under "Non-GAAP and Other Financial Measures"

ABOUT PRAIRIE PROVIDENT

Prairie Provident is a Calgary-based company engaged in the exploration and development of oil and natural gas properties in Alberta, including a position in the emerging Basal Quartz trend in the Michichi area of Central Alberta.

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Forward-Looking Statements

This news release contains certain statements ("forward-looking statements") that constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future performance, events or circumstances, are based upon internal assumptions, plans, intentions, expectations and beliefs, and are subject to risks and uncertainties that may cause actual results or events to differ materially from *those indicated or suggested therein. All statements other than statements of current or historical fact constitute forward-looking statements. Forward-looking statements are typically, but not always, identified by words such as "anticipate", "believe", "expect", "intend", "plan", "budget", "forecast", "target", "estimate", "propose", "potential", "project", "seek", "continue", "may", "will", "should" or similar words suggesting future outcomes or events or statements regarding an outlook.*

Without limiting the foregoing, this news release contains forward-looking statements pertaining to: Basal Quartz, drilling opportunities, including estimated payout periods and first year production on potential Basal Quartz wells; and the processing of production from successful Basal Quartz drilling.

Forward-looking statements are based on a number of material factors, expectations or assumptions of Prairie Provident which have been used to develop such statements, but which may prove to be incorrect. Although the Company believes that the expectations and assumptions reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements, which are inherently uncertain and depend upon the accuracy of such expectations and assumptions. Prairie Provident can give no assurance that the forward-looking statements contained herein will prove to be correct or that the expectations and assumptions upon which they are based will occur or be realized. Actual results or events will differ, and the differences may be material and adverse to the Company. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: results from drilling and development activities; consistency with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells (including with respect to production profile, decline rate and product type mix); the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserves volumes; future commodity prices; future operating and other costs; future USD/ CAD exchange rates; future interest rates; continued availability of external financing and internally generated cash flow to fund Prairie Provident's current and future plans and expenditures, with external financing on acceptable terms; the impact of competition; the general stability of the economic and political environment in which Prairie Provident operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Prairie Provident to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Prairie Provident has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Prairie Provident to secure adequate product transportation; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Prairie Provident operates; and the ability of Prairie Provident to successfully market its oil and natural gas production.

The forward-looking statements included in this news release are not guarantees of future performance or promises of future outcomes and should not be relied upon. Such statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward- looking statements including, without limitation: reduced access to external debt financing; higher interest costs or other restrictive terms of debt financing; changes in realized commodity prices; changes in the demand for or supply of Prairie Provident's products; the early stage of development of some of the evaluated areas and zones; the potential for variation in the quality of the geologic formations targeted by Prairie Provident's operations; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Prairie Provident or by third party operators; increased debt levels or debt service requirements; inaccurate estimation of Prairie

Provident's oil and reserves volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as may be detailed from time-to-time in Prairie Provident's public disclosure documents (including, without limitation, those risks identified in this news release and Prairie Provident's current Annual Information Form dated April 1, 2024 as filed with Canadian securities regulators and available from the SEDAR+ website (www.sedarplus.ca) under Prairie Provident's issuer profile).

The forward-looking statements contained in this news release speak only as of the date of this news release, and Prairie Provident assumes no obligation to publicly update or revise them to reflect new events or circumstances, or otherwise, except as may be required pursuant to applicable laws. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Non-GAAP and Other Financial Measures

This news release discloses certain financial measures that are 'non-GAAP financial measures' or 'supplementary financial measures' within the meaning of applicable Canadian securities laws. Such measures do not have a standardized or prescribed meaning under International Financial Reporting Standards (IFRS) and, accordingly, may not be comparable to similar financial measures disclosed by other issuers. Non-GAAP and other financial measures are provided as supplementary information by which readers may wish to consider the Company's performance but should not be relied upon for comparative or investment purposes. Readers must not consider non-GAAP and other financial measures in isolation or as a substitute for analysis of the Company's financial results as reported under IFRS. For a reconciliation of each non-GAAP measure to its nearest IFRS measure, please refer to the "Non-GAAP and Other Financial Measures" section of the MD&A.

This news release also includes reference to certain metrics commonly used in the oil and natural gas industry, but which do not have a standardized or prescribed meanings under the Canadian Oil and Gas Evaluation (COGE) Handbook or applicable law. Such metrics are similarly provided as supplementary information by which readers may wish to consider the Company's performance but should not be relied upon for comparative or investment purposes.

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

<u>*Operating Netback*</u> *– Operating netback is a non-GAAP financial measure commonly used in the oil and natural gas industry, which the Company believes is a useful measure to assist management and investors to evaluate operating performance at the oil and natural gas lease level. Operating netbacks included in this news release were determined as oil and natural gas revenues less royalties less operating costs. Operating netback may be expressed in absolute dollar terms or a per unit basis. Per unit amounts are determined by dividing the absolute value by gross working interest production. Operating netback after gains or losses on derivative instruments, adjusts the operating netback for only the realized portion of gains and losses on derivative instruments. Operating netback per boe and operating netback, after realized gains (losses) on derivatives per boe are non-GAAP financial ratios.*