



Prairie Provident Resources Announces Third Quarter 2023 Financial and Operating Results and Management Changes

Calgary, Alberta – November 14, 2023 – Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") announces our operating and financial results for the quarter ended September 30, 2023. PPR's interim financial statements and related Management's Discussion and Analysis (MD&A) are available on our website at www.ppr.ca and filed on SEDAR+ at www.sedarplus.ca.

THIRD QUARTER 2023 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The Company entered into agreements to sell its Evi cash-generating unit in Northern Alberta for a base purchase price of \$27 million (before effective date adjustments), and certain non-core assets in the Provost area for a base purchase price of \$1.8 million (before effective date adjustments) plus potential future payments of up to an additional \$720,000 based on the price of oil and production from the Provost assets during the 24-month period following closing.
- Production averaged 3,523 boe/d (64% liquids) for the third quarter of 2023, slightly down from the second quarter average of 2023 (3,641 boe/d), with no development capital spent.
- Third quarter 2023 operating netback¹ before the impact of derivatives was \$9.4 million (\$29.15/boe), and \$9.1 million (\$28.16/boe) after realized losses on derivatives, a \$1.8 million and \$1.2 million increase from the second quarter of 2023, respectively.
- Operating expenses for the third quarter of 2023 decreased by \$2.97 per boe of production from the second quarter of 2023, principally due to continued attention to cost control and production optimization efforts. This focus on reducing operating expenses is expected to continue improving operating netbacks during the balance of 2023.
- The Company spent \$4.5 million on abandonment and reclamation activities in the third quarter.

MANAGEMENT CHANGES

The Company is pleased to announce the appointment of Ryan Rawlyk as President and Chief Executive Officer, effective January 1, 2024. Mr. Rawlyk currently serves as Chief Operating Officer and has been with the Company since September 2021. Mr. Rawlyk will succeed Patrick McDonald, who has served as Interim Chief Executive Officer since December 2022 and will continue to serve as Chairman of the Board of Directors. The Company extends a sincere thank you to Mr. McDonald for his accomplishments while Interim Chief Executive Officer.

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

The Company also announces the appointment of David Stobbe as Chief Financial Officer, effective immediately. Mr. Stobbe continues to serve as Controller of the Company, a position he has held since June, and prior to joining Prairie Provident was Vice President, Accounting at Velvet Energy Ltd.

The Board of Directors has formed a committee (the "Executive Committee") consisting of directors Dale Miller (Chair), Patrick McDonald and Glenn Hamilton. The significant industry experience within the Executive Committee is intended to provide operational, financial and transactional direction as the Company continues to refocus after the recapitalization completed earlier this year.

The Company also announces the resignation of Ajay Sabherwal as a director of the Company. The Company sincerely thanks Mr. Sabherwal for his many years of dedicated service and contributions as a director and Chair of the Audit Committee of the Company.

FINANCIAL AND OPERATING SUMMARY

	Three Months Ended September 30,		Nine Months Ended September 30,	
<i>(\$000s except per unit amounts)</i>	2023	2022	2023	2022
Production Volumes				
Oil & condensate (bbl/d)	2,155	2,500	2,237	2,582
Natural gas (Mcf/d)	7,685	8,857	7,648	8,869
Natural gas liquids (bbl/d)	88	120	95	120
Total (boe/d)	3,523	4,096	3,606	4,180
% Liquids	64 %	64 %	65 %	65 %
Average Realized Prices				
Oil & condensate (\$/bbl)	97.97	104.77	88.93	112.83
Natural gas (\$/Mcf)	2.60	4.27	2.69	5.66
Natural gas liquids (\$/bbl)	54.77	77.99	57.85	83.00
Total (\$/boe)	66.95	75.47	62.39	84.09
Operating Netback (\$/boe)¹				
Realized price	66.95	75.47	62.39	84.09
Royalties	(9.92)	(14.15)	(8.55)	(13.23)
Operating costs	(27.88)	(31.36)	(31.90)	(28.99)
Operating netback	29.15	29.96	21.94	41.87
Realized gain (loss) on derivatives	(0.99)	(16.86)	(0.64)	(18.58)
Operating netback, after realized gain (loss) on derivatives	28.16	13.10	21.30	23.29

Note:

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

ABOUT PRAIRIE PROVIDENT

Prairie Provident is a Calgary-based company engaged in the exploration and development of oil and natural gas properties in Alberta. The Company's strategy is to optimize cash flows from our existing assets, providing low risk development and stable low decline cash flow.

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Barrels of Oil Equivalent

The oil and gas industry commonly expresses production volumes and reserves on a “barrel of oil equivalent” basis (“boe”) whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead nor at the plant gate, which is where Prairie Provident sells its production volumes. Boes may therefore be a misleading measure, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency ratio of 6:1, utilizing a 6:1 conversion ratio may be misleading as an indication of value.

Non-GAAP and Other Financial Measures

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

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

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

instruments. Operating netback per boe and operating netback, after realized gains (losses) on derivatives per boe are non-GAAP financial ratios.

Forward-Looking Statements

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

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: that the Company will be able to complete the recently-announced sales of its Evi cash-generating unit and non-core assets in the Provost area on the agreed terms; that all necessary regulatory approvals from the Alberta Energy Regulator will be obtained in respect of the Evi and Provost dispositions on terms and conditions that are acceptable to the parties, and that all other conditions precedent to completion will be satisfied, not later than January 31, 2024; that the purchaser under each of the Evi and Provost dispositions will fund the purchase price at closing; the results from reactivation and development projects; that Prairie Provident will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities, and their consistency with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells (including with respect to production profile, decline rate and product type mix); the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident’s reserves volumes; future commodity prices; future operating and other costs; future USD/ CAD exchange rates; future interest rates; continued availability of external financing and cash flow to fund Prairie Provident’s current and future plans and expenditures, with external financing on acceptable terms; the impact of competition; the general stability of the economic and political environment in which Prairie Provident operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Prairie Provident to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Prairie Provident has an interest in to operate

the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Prairie Provident to secure adequate product transportation; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Prairie Provident operates; and the ability of Prairie Provident to successfully market its oil and natural gas products.

The forward-looking statements included in this news release are not guarantees of future performance or promises of future outcomes, and should not be relied upon. Such statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: the imposition by the AER of terms and conditions on the Evi Sale or the Provost Sale that cannot be satisfied or are otherwise not acceptable to the Company or the respective purchasers; the ability of each purchaser to fund the purchase price and complete the transaction on the agreed terms; reduced access to financing; higher interest costs or other restrictive terms of debt financing; changes in realized commodity prices; changes in the demand for or supply of Prairie Provident's products; the early stage of development of some of the evaluated areas and zones; the potential for variation in the quality of the geologic formations targeted by Prairie Provident's operations; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Prairie Provident or by third party operators; increased debt levels or debt service requirements; inaccurate estimation of Prairie Provident's oil and gas reserves volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as may be detailed from time-to-time in Prairie Provident's public disclosure documents (including, without limitation, those risks identified in this news release and Prairie Provident's current Annual Information Form as filed with Canadian securities regulators and available from the SEDAR+ website at www.sedarplus.ca.

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.