

Prairie Provident Announces Year-End 2023 Reserves

CALGARY, Alberta, Feb. 22, 2024 -- Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX: PPR) is pleased to announce the results of its December 31, 2023 independent reserves evaluation (the "Sproule Report") conducted by Sproule Associates Limited ("Sproule").

The Sproule Report highlights that despite minimal capital spending, reserves additions were realized year-over-year driven primarily by positive technical revisions associated with lower fixed costs, reactivations, and optimizations. A 16-year reserve life index on total proved reserves underscores the potential of the assets to deliver meaningful growth and shareholder value.

2023 Reserves Highlights⁽¹⁾

December 31, 2023	Proved Developed Producing	Total Proved	Total Proved plus Probable
Reserves (MMboe)	9.4	21.1	30.1
Net Present Value, discounted @10% (MM\$)	118.1	310.7	490.2
Technical revisions (MMboe)	0.6	0.1	(0.6)
Category changes (MMboe)	0.3	0.1	0.1
Reserve Life Index ⁽¹⁾ (years)	7.3	16.3	23.3

Notes:

⁽¹⁾ PPR calculates Reserve Life Index (RLI) based on the estimated reserves amount as at December 31, 2023 for the relevant reserves category, as evaluated by Sproule, divided by actual 2023 annual production. See "Cautionary Statements – Disclosure of Oil and Gas Reserves Data and Operational Information" and "Cautionary Statements – Reserve Life Index".

- Improved well performance resulted in positive technical revisions, which were offset through undeveloped location removals due to mineral expiries. This resulted in overall positive proved developed producing (PDP) and total proved (TP) technical revisions of 0.6 MMboe and 0.1 MMboe, respectively, and negative total proved plus probable (P+P) technical revisions of 0.6 MMboe.
- 21 well reactivations occurred in 2023, several outperforming year-end 2022 reserve estimates. This resulted in positive reserve additions of 0.3 MMboe, 0.1 MMboe, and 0.1 MMboe for PDP, TP, and P+P reserves, respectively.
- Reserve life index⁽¹⁾ of 7.3 years, 16.3 years, and 23.3 years, based on 2023 annual production⁽²⁾ on a PDP, TP, and P+P basis, respectively. An increase of approximately 15% on all categories, year-over-year.

Reserves Summary

The following presentation summarizes certain information contained in the Sproule Report, which was prepared in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and the definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"). Sproule evaluated 100% of the Company's reserves. The Sproule Report is based on forecast prices and costs and applies Sproule's forecast escalated commodity price deck and foreign exchange rate and inflation rate assumptions as at December 31, 2023. Estimated future net revenue is stated without any provisions for interest costs, other debt service charges, or general and administrative expenses, and after the deduction of royalties, estimated operating costs, estimated abandonment and reclamation costs, and estimated future development costs.

Additional information regarding the Company's reserves data and other oil and gas information will be included in the Company's Annual Information Form for the year ended December 31, 2023 (the "AIF"), which will be filed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca not later than April 2, 2024.

See also the "Cautionary Statements" below for further explanations and discussion.

Summary of Corporate Reserves⁽¹⁾⁽²⁾⁽⁵⁾

The following table is a summary of the Company's estimated reserves as at December 31, 2023, as evaluated in the Sproule Report.

	Conventional Natural Gas ⁽³⁾ (other than	Conventional Natural Gas	Natural Gas	Barrels of Oil
Light and				

Reserves Category	Medium Oil	Heavy Oil	Solution Gas)	(Solution Gas)	Liquids	Equivalent ⁽⁴⁾
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(Mbbbl)	(Mboe)
Proved						
Developed Producing	5,384	366	12,382	7,660	323	9,414
Developed Non-Producing	2,182	-	1,281	924	40	2,590
Undeveloped	6,153	282	-	14,703	233	9,119
Total Proved	13,719	649	13,664	23,287	596	21,123
Probable	5,705	513	3,903	11,451	244	9,020
Total Proved plus Probable	19,424	1,162	17,567	34,739	840	30,143

Notes:

(1) Reserves are presented on a "company gross" basis, which is defined as Prairie Provident's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.

(2) Based on Sproule's December 31, 2023 forecast prices and costs. Sproule's commodity price forecasts as of December 31, 2023, which were used in the Sproule Report, can be found at www.sproule.com/price-forecast/.

(3) Including both non-associated gas and associated gas but excluding solution gas (gas dissolved in crude oil).

(4) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements – Barrels of oil equivalent" below.

(5) Columns may not add due to rounding of individual items.

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with Prairie Provident's reserves as at December 31, 2023, discounted at the indicated percentage rates per year, as evaluated in the Sproule Report.

Reserves Category	0%	5%	10%	12%	15%
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
Proved					
Developed Producing	17.1	122.6	118.1	103.9	91.5
Developed Non-Producing	125.1	71.5	47.3	33.8	25.4
Undeveloped	281.7	198.5	145.4	109.7	84.5
Total Proved	423.9	392.7	310.7	247.4	201.4
Probable	375.6	245.6	179.5	140.4	114.9
Total Proved plus Probable	799.5	638.2	490.2	387.8	316.3

Notes:

(1) Based on Sproule's December 31, 2023 forecast prices and costs. Sproule's commodity price forecasts as of December 31, 2023, which were used in the Sproule Report, can be found at www.sproule.com/price-forecast/.

(2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, estimated operating costs, estimated abandonment and reclamation costs, and estimated future development costs.

(3) Estimated future net revenue, whether discounted or not, does not represent fair market value.

(4) Net present values of future net revenue after income taxes are estimated to approximate the before income tax values based on the estimated future revenues, available tax pools and future deductible expenses.

(5) Columns may not add due to rounding of individual items.

Reconciliation of Company Gross Reserves Based on Forecast Prices and Costs ⁽¹⁾⁽²⁾

FACTORS	Mboe		Proved plus Probable
	Proved	Probable	
December 31, 2022	22,138	9,723	31,861
Category Change – NP to DP	102	38	141
Disposition	(1)	(0)	(1)
Technical Revisions	142	(750)	(608)
Pricing (Economic Factors)	37	9	46
Production	(1,295)	0	(1,295)
December 31, 2023	21,123	9,020	30,134

Notes:

- (1) Columns may not add due to rounding.
- (2) Company Gross Reserves exclude royalty volumes.

ABOUT PRAIRIE PROVIDENT:

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

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Cautionary Statements

Disclosure of Oil and Gas Reserves Data and Operational Information

Prairie Provident's Statement of Reserves Data and Other Oil and Gas Information for the year ended December 31, 2023, providing additional information regarding our reserves data and oil and gas activities in accordance with NI 51-101, will be contained in our Annual Information Form for the year ended December 31, 2023, which will be filed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca not later than April 2, 2024. The reserves data estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered or that the related estimates of future net revenues will be realized. There can be no assurance that the forecast prices and cost assumptions applied by Sproule in evaluating the Company's reserves will be attained, and variances between actual and forecast prices and costs could be material. Actual reserves may be greater than or less than the estimated volumes provided herein, and it should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. Estimates in respect of 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 Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading "Forward-looking statements".

This news release discloses certain metrics commonly used in the oil and natural gas industry – namely "reserve life index" – that do not have standardized meanings or methods of calculation under applicable laws, International Financial Reporting Standards, the COGE Handbook or other applicable professional standards. Accordingly, such measures, as determined by the Company, may not be comparable to similarly defined or labelled measures presented by other companies, and therefore should not be used to make such comparisons. These metrics have been included herein to provide readers with additional information to evaluate the Company's performance, but should not be relied upon for comparative purposes. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Prairie Provident's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this news release, should not be relied upon for investment or other purposes.

Reserve Life Index ("RLI")

The Company calculates RLI based on the estimated reserves amount as at December 31, 2023 for the relevant reserves category, as evaluated by Sproule, divided by actual 2023 annual production. RLI provides a summary measure of the relative magnitude of the Company's year-end 2023 reserves through an indication as to how long they would last based on its 2023 production rate and assuming no additions to reserves.

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, and 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 are forward-looking statements. Forward-looking statements are typically, but not always, identified by words such as "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plan", "intend", "budget", "potential", "aim", "target" and similar words or expressions suggesting future outcomes or events or statements regarding an outlook.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to: estimated volumes of Prairie Provident's oil and gas reserves and their categorization; and estimated net present values of future net revenue associated with evaluated reserves.

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: future commodity prices and currency exchange rates, including consistency of future prices with current price forecasts; 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 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; operating and other costs, including the ability to achieve and maintain cost improvements; 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.*

Forward-looking statements 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: 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 no access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as are 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).

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

Barrels of oil equivalent

The oil and gas industry commonly expresses production volumes and reserves on a "barrel of oil equivalent" basis ("boe") whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead nor at the plant gate, which is where Prairie Provident sells its production volumes. Boe 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.