Prairie Provident Resources Announces Fourth Quarter and Year-End 2023 Financial and Operating Results

Calgary, Alberta – April 2, 2024 – Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX:PPR) announces its operating and financial results for the fourth quarter and year ended 2023. Prairie Provident's audited annual consolidated financial statements and related Management's Discussion and Analysis (MD&A) for the year ended December 31, 2023 and Annual Information Form dated April 2, 2024 for the same period are available on the Company's website at www.ppr.ca and filed on SEDAR+ at www.sedarplus.ca.

2023 ANNUAL FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The Company's financial flexibility was enhanced during the year with the completion of its recapitalization and debt-for-equity settlement, under which US$53.4 million (approximately CAD$72.0 million) of indebtedness under its previously-outstanding subordinated notes was repaid through the issue of approximately 514.4 million common shares.

- In conjunction with the reorganization, the Company completed the issue of US$3.64 million (approximately CAD$4.93 million) of second lien notes. Interest on these notes is paid-in-kind while the Company's senior secured note facility is outstanding.

- The Company also raised gross proceeds of CAD$4.0 million through a private placement offering of 44.4 million common shares and warrants during the year to assist in the reduction of net debt. [1]

- A significant decrease in the price of crude oil and natural gas combined with a decrease in production resulted in a 34% decrease in revenue to $79.8 million for 2023 from $120.6 million in 2022.

- For the year ended December 31, 2023, production averaged 3,558 boe/d (64% liquids), down 13% from 4,072 boe/d average production for 2022.

- Operating netback[1] for the year was $24.8 million ($19.07/boe) before the impact of derivatives in 2023, or $23.8 million ($18.35/boe) after realized losses on derivatives. This compares to an operating netback of $54.3 million ($36.54/boe) before the impact of derivatives, or $28.8 million ($19.38/boe) after realized losses on derivatives, for 2022.

- Operating expenses per boe rose by 8%, increasing from $30.88 in 2022 to $33.25 in 2023. Despite facing higher fixed costs per boe due to decreased production, total operating expenses decreased by $2.7 million compared to the previous year.

- As at December 31, 2023, net debt[1] totaled CAD$80.6 million, a CAD$67.2 million decrease from December 31, 2022 due to completion of the reorganization, comprised of CAD$66.2 million under its senior secured note facility, CAD$6.4 million under its second lien notes (including deferred interest paid-in-kind) and a CAD$8.0 million working capital deficit.

- In the first quarter of 2024, the Company further reduced its indebtedness through the sale of its Evi assets in Northern Alberta and certain non-core assets located in the Provost area of Central Alberta. Net proceeds of approximately CAD$24.2 million were received from these dispositions, with CAD$20.0 million used to further reduce indebtedness under the Company's senior secured note facility.

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

FOURTH QUARTER 2023 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Production averaged 3,413 boe/d (64% liquids) for the fourth quarter of 2023, a 9% decrease from the same period in 2022.

- Fourth quarter 2023 operating netback[1] before the impact of derivatives was $3.2 million ($10.03/boe), and $2.9 million ($9.07/boe) after realized losses on derivatives, a $3.4 million decrease and $0.6 million increase, respectively, from the fourth quarter of 2022.

- Net capital expenditures[1] for the fourth quarter of 2023 of $0.7 million were primarily for the retention of mineral and surface leases.

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

FINANCIAL AND OPERATING SUMMARY

	Three Months Ended December 31,		**Years Ended December 31,**	
($000s except per unit amounts)	**2023**	2022	**2023**	2022
Production Volumes				
Crude oil and condensate (bbl/d)	**2,049**	2,303	**2,190**	2,511
Natural gas (Mcf/d)	**7,374**	8,014	**7,579**	8,653
Natural gas liquids (bbl/d)	**135**	114	**105**	119
Total (boe/d)	**3,413**	3,753	**3,558**	4,072
% Liquids	**64 %**	64%	**64%**	65 %
Average Realized Prices				
Crude oil and condensate ($/bbl)	**87.12**	95.34	**88.50**	108.82
Natural gas ($/Mcf)	**2.10**	5.03	**2.55**	5.52
Natural gas liquids ($/bbl)	**43.08**	69.60	**53.05**	79.41
Total ($/boe)	**58.54**	71.37	**61.46**	81.14
Operating Netback ($/boe) [1]				
Realized price	**58.54**	71.37	**61.46**	81.14
Royalties	**(11.00)**	(15.35)	**(9.14)**	(13.72)
Operating costs	**(37.50)**	(37.08)	**(33.25)**	(30.88)

Operating netback	**10.03**	18.94	**19.07**	36.54
Realized losses on derivative instruments	**(0.96)**	(12.47)	**(0.72)**	(17.16)
Operating netback, after realized losses on derivative instruments	**9.07**	6.47	**18.35**	19.38

Note:

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

ABOUT PRAIRIE PROVIDENT

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

For further information, please contact:

Prairie Provident Resources Inc.
1100, 640 - 5th Avenue SW
Calgary, Alberta, Canada T2P 3G4
Main: (403) 292-8000
Fax: (403)-292-8001
Email: info@ppr.ca

Barrels of Oil Equivalent

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

Non-GAAP and Other Financial Measures

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

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

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

<u>*Operating Netback*</u> *– 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 in evaluating 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 on 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.*

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

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

<u>*Net Capital Expenditures*</u> *– Net capital expenditures is a non-GAAP financial measure commonly used in the oil and gas industry, which the Company believes is a useful measure to assist management and investors to assess PPR's investment in its existing asset base. Net capital expenditures is calculated by taking total capital expenditures, which is the sum of property and equipment expenditures and exploration and evaluation expenditures from the Consolidated Statement of Cash Flows, plus capitalized stock-based compensation, plus acquisitions from business combinations, which is the outflow cash consideration paid to acquire oil and gas properties, less asset dispositions (net of acquisitions), which is the cash proceeds from the disposition of producing properties and undeveloped lands.*