Prairie Provident Resources Inc. Announces Closing of Marquee Energy Ltd. Acquisition

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CALGARY, Nov. 21, 2018 - Prairie Provident Resources Inc. ("Prairie Provident" or “PPR” or the "Company") (TSX:PPR) and Marquee Energy Ltd. ("Marquee") (TSXV:MQX) announce that the Company's previously-disclosed acquisition of Marquee by plan of arrangement under section 193 of the Business Corporations Act (Alberta) (the "Arrangement"), which was approved by approximately 98% of the votes cast by Marquee shareholders at a special meeting held to consider the transaction, and subsequently approved by the Court of Queen's Bench of Alberta, has now closed. Pursuant to implementation of the Arrangement today, Prairie Provident acquired all of the outstanding Marquee shares on a share exchange basis, with Marquee shareholders receiving an aggregate of 38,609,416 common shares based on an exchange ratio of 0.0886 common shares of the Company for each Marquee share held.

With the Arrangement closing, Prairie Provident is positioned as a growth-oriented oil and gas company offering numerous strategic benefits for shareholders which include:

- An enlarged asset base focused in three core areas including Michichi/Wayne, Princess and Evi, all of which offer light oil exposure and greater capital allocation alternatives, operatorship of over 90% and an average working interest exceeding 98% in the core areas.
- Pro forma corporate production will be approximately 7,700 boe/d (67% oil and liquids), compared to an average of 5,776 boe/day in Q3, 2018
- An expanded oil-weighted growth profile which offers superior economies of scale, lower risk development drilling opportunities and a proven water flood program that enhances reserves, extends reserve life index and lowers overall corporate decline rates.
- A stronger financial position which facilitates the funding of Prairie Provident’s deep inventory of highly-attractive drilling prospects in the Michichi area of Alberta over the near and longer term, and the ability to benefit from potentially improved marketplace liquidity and future consolidation prospects.
- Synergies and general and administrative cost savings from consolidation, as well as the addition of a pipeline-connected 2,000 barrels of oil per day (bopd) central oil battery, and two gas plants and associated gas gathering infrastructure with 15 MMcf/d of combined processing capacity.
- Increased estimated proved reserves by approximately 97% to 28.3 MMboe, with an increase in net present value of estimated future net revenues therefrom (before taxes and discounted at 10% per year) (“NPV10 BT”) of approximately 74% to $361.6 million. Increased estimated proved plus probable reserves by approximately 110% to 43.3 MMboe, with NPV10 BT therefrom increasing by approximately 88% to $560.7 million.[1]

1 *Based on the respective reserves evaluation reports of Prairie Provident and Marquee, prepared by Sproule Associates Ltd., evaluating the reserves data of each company as of December 31, 2017 in accordance with the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, prior to adjusting for anticipated non-core asset dispositions.*

Expansion of Prairie Provident's existing credit arrangements

In connection with closing the Arrangement, the Company’s wholly-owned subsidiary, Prairie Provident Resources Canada Ltd. ("PPR Canada"), expanded its existing credit arrangements with Prudential Capital Group ("Prudential") which includes an increase in its Revolving Note Facility from US$45 million to US$65 million and the issue of an additional US$12.5 million principal amount of Subordinated Notes. Borrowings under the expanded credit facility have been applied, in part, to finance repayment of Marquee's indebtedness (including the Crown term loan).

Release of escrowed proceeds from subscription receipt financing

In October 2018, PPR completed an equity financing that included a 'bought deal' prospectus offering of 6,810,200 subscription receipts and a concurrent private placement of an additional 2,780,000 subscription receipts, all at a price of $0.39 per unit. Each subscription receipt entitles the holder to receive, in connection with completion of the Arrangement, for no additional consideration, one PPR common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to subscribe for and

purchase one PPR share at an exercise price of $0.50 until October 11, 2020 (subject to adjustment in certain circumstances).

The proceeds from the sale of the subscription receipts were deposited in escrow on closing of the financing, and released to Prairie Provident upon closing of the Arrangement today.

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 grow organically in combination with accretive acquisitions of conventional oil prospects, which can be efficiently developed. Prairie Provident’s operations are primarily focused at Wheatland and Princess in Southern Alberta targeting the Ellerslie and the Lithic Glauconite formations, along with an early stage waterflood project at Evi in the Peace River Arch. Prairie Provident protects its balance sheet through an active hedging program and manages risk by allocating capital to opportunities offering maximum shareholder returns.

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FORWARD-LOOKING INFORMATION

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. 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. Without limiting the foregoing, this news release contains forward-looking statements pertaining to: anticipated benefits from the Arrangement, including prospective operating synergies, G&A cost savings and improved economies of scale; production on completion of the Arrangement; the ability to fund drilling prospects; potential improvements in marketplace liquidity; and future consolidation prospects. The forward-looking statements contained in this news release reflect material factors and expectations and assumptions of Prairie Provident including, without limitation: Prairie Provident's ability to successfully integrate acquired assets and businesses into existing operations; commodity prices and foreign exchange rates for 2018 and beyond; the timing and success of future drilling, development and completion activities (and the extent to which the results thereof meet management's expectations); the continued availability of financing (including borrowings under the Company's credit arrangements) and cash flow to fund current and future expenditures, with external financing on acceptable terms; future capital expenditure requirements and the sufficiency thereof to achieve the Company's objectives; the performance of both new and existing wells; the successful application of drilling, completion and seismic technology; the Company's ability to economically produce oil and gas from its properties and the timing and cost to do so; the predictability of future results based on past and current experience; the Company's ability to secure adequate product transportation and processing services; prevailing weather conditions; prevailing legislation and regulatory requirements affecting the oil and gas industry (including royalty regimes); the timely receipt of required regulatory approvals (including TSX approvals); the availability of capital, labour and services on timely and cost-effective basis; and the general economic, regulatory and political environment in which the Company operates. Prairie Provident believes that the material factors, expectations and assumptions reflected in the forward-looking statements contained herein and upon which they are based are reasonable in the circumstances based on currently available information, but undue reliance should not be placed on such information. Forward-looking statements are not guarantees of future outcomes, and the Company can give no assurance that forward-looking statements will prove to be correct or that the factors, expectations and assumptions reflected therein or upon which they are based will 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 inherently uncertain, rely on assumptions and expectations, and are subject to known and unknown risks, uncertainties and other factors, both general and specific,

many of which are beyond the Company's control, that may cause actual results or events to differ materially from those indicated or suggested in the forward-looking statements. These include, but are not limited to: risks inherent to oil and gas exploration, development, exploitation and production operations and the oil and gas industry in general; adverse changes in commodity prices, foreign exchange rates or interest rates; the ability to access capital when required and on acceptable terms; the ability to secure required services on a timely basis and on acceptable terms; increases in operating costs; environmental risks; changes in laws and governmental regulation (including with respect to royalties, taxes and environmental matters); adverse weather or break-up conditions; competition for labour, services, equipment and materials necessary to further the Company's oil and gas activities; and changes in plans with respect to exploration or development projects or capital expenditures in respect thereof. These and other risks are discussed in more detail in the Company's current annual information form and other documents filed by it from time to time with securities regulatory authorities in Canada, copies of which are available electronically under Prairie Provident's issuer profile on the SEDAR website at www.sedar.com and on the Company's website at www.ppr.ca. This list is not exhaustive. Information and statements relating to "reserves" are also forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can profitably be produced in the future. See also "Reserves Data Disclosure" in the Company's annual information form dated March 28, 2018 for the year ended December 31, 2017. The forward-looking statements contained in this news release are made as of the date hereof, and Prairie Provident undertakes and assumes no obligation to publicly update or revise any of them, whether as a result of new information, future events or circumstances, or otherwise, except only as required by applicable Canadian securities laws. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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