

Prospera Reports Financial and Operating Results for the Third Quarter Ended September 30, 2018

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CALGARY, November 29, 2018 - [Prospera Energy Inc.](#) ("Prospera" or the "Corporation") (TSX-V: PEI) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2018. The condensed interim financial statements, and related management's discussion and analysis ("MD&A") will be available at [www.sedar.com](#) and [www.prosperaenergy.com](#).

OPERATION AND FINANCIAL SUMMARY

The Corporation's oil and gas revenues have experienced significant growth due to changes in production volumes and the price realized for the sale of the Corporation's production.

Results of Operations

	Three months ended September 30, 2018
Total sales volumes (BOE)	22,212
Daily sales volumes (BOE per day)	241
Per BOE	
Oil and gas revenue (\$)	58.07
Royalties (\$)	5.72
Operating and transportation costs (\$)	33.38
Operating netback (\$)	18.97

The positive increase attained in Q3 was largely a result of an increase in production due to the acquisition of three new properties in eastern Alberta and southwest Saskatchewan; Cuthbert, Luseland and Hearts Hill, in June 2018.

(Please refer to the Corporation's press release dated June 13, 2018 for detailed information regarding the transaction and the agreement regarding the acquisition of these new properties).

THIRD QUARTER 2018 HIGHLIGHTS

OVERALL PERFORMANCE

A significant increase in revenues from operations was reported in the amount of \$1,289,934 for Q3 2018 with royalty expenses of \$127,051. The Corporation reported a loss of \$11,926 for Q3 2018, which is a significant improvement in comparison to a loss of \$261,052 for Q3 2017. The reduction in loss arose as a result of gains on the disposition of property and equipment, as well as the revenues from the newly acquired properties at Cuthbert, Luseland and Hearts Hill.

Total sales volumes in Q3 2018 showed impressive growth as well with 22,212 BOEs (241 BOE per day) as compared to 7,200 BOEs (78 BOE per day) for Q3 2017, representing a significant increase of 209%.

Also positive was the Corporation's realized average oil price Q3 2018. The average price received per

barrel in Q3 2018 was \$58.07, compared to \$47.91 per barrel for Q3 2017.

NETBACK

Average netback for Q3 2018 was \$18.97 per BOE compared to \$14.00 per BOE for Q3 2017. The increase in the Q3 2018 netback occurred because the Corporation made initiatives to operate its wells at its Red Earth properties and not use third party facilities for water disposal and oil processing. In addition, production volumes from the newly acquired properties led to increased BOEs and revenues. With the price differential decreasing, the result was a significant Q3 2018 netback improvement.

Operating Costs

All activities associated with operating the wells and facilities are included in operating expenses. They include such items as gathering, processing, treating, compression, hauling, lifting and production storage. The average operating cost per BOE for Q3 2018 was \$18.97 as compared to Q3 2017 costs of \$33.27 per BOE. This significant decrease in operating costs was the result of an increased number of BOEs being spread over fixed and semi-fixed costs in general well servicing, water disposal, property taxes and processing fees. Transportation costs represented 5% of total revenue in Q3 2018. On a per BOE basis, the cost was \$3.05 in Q3 2018 as compared to \$5.04 per BOE in Q3 2017. This reduction in trucking costs was a result of system modifications and upgrades in the facilities put in place by the Corporation.

Business Combination

On June 11, 2018, pursuant to a purchase and sale agreement (the "Agreement"), the Corporation acquired a 100% working interest in producing properties located in southwest Saskatchewan and eastern Alberta (the "Assets"). The Corporation was the lead on the transaction and was supported by an arm's-length private corporation participant who was responsible for 80% of the purchase price and was subsequently assigned an 80% working interest in the Assets and in the rights and obligations under the Agreement. Per the Agreement, the Corporation is the operator of the Assets for a minimum period of 18 months from the date of closing and holds a 20% working interest in the Assets. Cash consideration of \$900,000 was paid by the Corporation for its 20% working interest plus \$173,865 in adjustments for prepaid lease rentals paid by the vendor between the effective and closing dates.

The Corporation has the option until December 11, 2019 to acquire an additional 10% working interest in the Assets for \$1,250,000. Since June 11, 2018, the acquisition has contributed \$945,322 of petroleum and natural gas revenues and in addition, \$212,120 in operating income (petroleum and natural gas revenue less royalties and operating expenses) to the Corporation.

DEBT SETTLEMENT

The Corporation is pleased to disclose that a settlement has now been reached with respect to a long-standing dispute with the former operator of its Red Earth properties, for which the Corporation accrued a contingency amount in trade and other payables in its 2017 financial statements. For further information surrounding the details of this dispute please refer to the Corporation's press release dated July 5, 2018.

The Corporation has now paid \$150,000 in full settlement of the debt, originally totalling \$501,000, that was held in payables. On November 26, 2018, the Corporation received notice that the former operator's writ of enforcement and security agreement in respect to these properties were fully discharged.

OUTLOOK

The Corporation continues to be successful in its pro-active approach to lowering overall operating costs while obtaining a premium price per BOE. Prospera's alliance with Boomerang Energy Marketing is successfully limiting its exposure to apportionments and the suppressed market conditions that currently affect many other Canadian oil companies.

Proven reserves are significant at the newly acquired Cuthbert, Hearts Hill and Luseland properties. Original oil in place (which is referred to as total petroleum volume of oil- initially –in-place-stored in a reservoir and includes petroleum contained in the sub-surface, as well as those quantities already produced) is estimated to be 299,000,000 BOE. The Corporation's strategy to re-invest revenues into the continued development and expansion of these properties in the last quarter of 2018 will continue throughout 2019. There are currently 110 wells in production at these properties with a further 75 wells targeted for re-activation. Prospera is accelerating its ongoing review of all wells and reactivations and workovers are projected to take place at a rate of 5-8 per month moving forward.

ABOUT PROSPERA INC

Prospera Inc is a Canadian natural resource Corporation engaged in the acquisition, exploration, development and production of oil and gas properties with operations in Alberta and Western Saskatchewan.

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Production volumes are commonly expressed on a barrel of oil equivalent ("BOE") basis whereby natural gas volumes are converted at a ratio of six thousand cubic feet to one barrel of oil. The intention is to convert oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. The term BOE may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not represent an economic value equivalency at the wellhead.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements relating to the future operations of the Corporation and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Corporation, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. More particularly, it contains forward-looking statements concerning: (i) production (ii) planned drilling, reactivation, development and waterflood activities, (iii) the potential number of drilling locations at certain of the Transactions properties, (iv) timing and completion of the Transaction, including expectations and assumptions concerning timing of receipt of required regulatory approvals and the satisfaction of other conditions to the completion of the

Transaction, and (v) potential development opportunities associated with the Transaction.

Although Prospera believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Prospera can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to numerous factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Prospera Inc. As a result, Prospera cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release, and Prospera does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law.

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