

# Renewal and Restructure of Credit Facilities

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KELOWNA, May 08, 2019 - [Prospera Energy Inc.](#) ('Prospera' or the 'Corporation') (PEI:TSX-V; OF6A:FRA) is pleased to announce that the Corporation successfully completed the sale of its Silverdale assets on May 2nd, 2019 for gross proceeds totalling \$330,000. In addition to the completion of the Silverdale assets sale, Prospera has also signed terms of an amending agreement ('Second Amending Agreement') with its Lender ('Lender') for the renewal of its Credit Facilities, which relaxed certain financial covenant thresholds effective April 30, 2019 through April 30, 2020. Prospera Energy expects that the amended agreement will provide the Corporation with additional financial flexibility and runway to execute its 2019 capital program while continuing to deliver long-term growth in reserves, production and cash flow for shareholders.

In light of the impact from the widening Canadian crude oil price differentials during the fourth quarter of 2018 on the computation of Prospera's financial covenants for 2019, the lender has agreed to apply certain financial provisions as outlined below:

- (a) Upon receipt of the lump sum principal payment of \$400,000, no later than May 31, 2019 from the Corporation, pursuant to the terms outlined in the Second Amending Agreement dated April 30, 2019, the Lender will provide \$400,000 of debt of forgiveness such that the reduction of the principal amount owing under the Credit Facilities will be \$800,000.
- (b) The interest rate shall reduce to 9.5% effective upon the Corporation making the \$400,000 lump sum principal payment from the proceeds of the sale of the Corporation's Silverdale assets no later than May 31, 2019.
- (c) Upon the occurrence or fulfillment of all of the conditions set forth in the Commitment Letter, as amended by this Second Amending Agreement, the Lender agreed to waive (a) all Events of Default under the Commitment Letter which have occurred up to and including December 31, 2018 and (b) the requirement to pay the deferred fees and default interest, as such terms are defined in the Commitment Letter, owing as of December 31, 2018, which amount is \$535,520.41. (In the event of default the interest rate will be 12%).

The Corporation has currently issued \$285,000.00 from the proceeds of the Silverdale sale in payment to its Lender as part of the \$400,000 loan repayment. The remaining payment of \$115,000 is to be issued to the Lender no later than May 31, 2019. Following this payment, the principal amount of all Credit Facilities will stand at approximately \$3,900,000 (*precise daily interest amounts affecting the exact total owing will be calculated upon receipt of remaining payment*), representing over 20% reduction in total debt since December 31, 2018.

Statement from CEO Burkhard Franz:

*'Prospera Energy is now well positioned for further growth and profitability in 2019 with predictable cash flow from our current oil assets, an attractive inventory of existing drilling locations, and the ability to scale-up our well reactivation program should supportive commodity prices be sustained. Our three prolific oil producing properties at Cuthbert, Hearts Hill and Luseland offer heavy oil exposure and focused, lower-risk reactivation and expansion opportunities. With 100% of the production in our three primary properties Company operated and the average working interest currently at 35%, Prospera will optimally allocate capital in order to maximize value for shareholders through further acquisitions, well reactivations, further production expansion of the existing properties and continued debt reduction. Prospera remains focused on continuing to expand our inventory of high-quality drilling locations that can support our longer-term growth as well as enhance our per share production, reserves and funds flow metrics.'*

About Prospera Energy Inc.

[Prospera Energy 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.

For Further Information:

Burkhard Franz, President and CEO  
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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 Transaction 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.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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