

Prairie Provident Announces Continued Drilling and Operational Success and Provides Select Preliminary Q2 2019 Highlights

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CALGARY, July 17, 2019 - [Prairie Provident Resources Inc.](#) ("Prairie Provident", "PPR" or the "Company") is pleased to provide an operational update outlining the successful initial results from a new well, which supports the Company's established asset base within the southern portion of its core Princess area. In addition, the Company is pleased to share select preliminary Q2 2019 unaudited financial and operating highlights. Full Q2 2019 results are expected to be available and announced on August 8, 2019 in connection with the SEDAR filing of Prairie Provident's interim Financial Statements and related Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2019.

Princess Area New Well Results

PPR's most recent well in the southern portion of its Princess acreage was completed and brought on production in June 2019. Over the first three weeks being on production, the well averaged approximately 250 barrels of oil per day plus an associated 2.7 mmcf per day of natural gas. With a total capital cost of approximately \$1.6 million to drill, complete, equip and tie-in, the well is expected to pay out after ten months under current commodity price assumptions. This demonstrates the Company's ability to target higher-value oil and liquids-weighted drilling locations. Within the Princess area, PPR has an inventory of nine additional potential Lithic Glauconite drilling opportunities¹ for future development, as well as a further eight liquids-rich Eilerslie and three Detrital potential drilling opportunities in the area.

Incorporating volumes from this newest Princess well, the Company's current corporate production is estimated at approximately 6,500 boe/d based on field receipts, which is at the upper end of PPR's full year 2019 production guidance.

Preliminary Select Q2 2019 Highlights (Unaudited)

Based on field receipts and unaudited financial results, PPR is pleased to provide select preliminary Q2 2019 results that continue the trend of generating adjusted funds flow¹ that can be allocated towards our budgeted capital expenditures. During the quarter, PPR invested approximately \$3.2 million in capital, which contributed to a 7% increase in average production from Q1 2019, to an average of 6,380 boe/d (69% oil and liquids) for Q2 2019. The Company anticipates that adjusted funds flow¹ of approximately \$6 million, or \$0.03 per share, was generated in Q2 2019, which positions PPR well to fund its budgeted 2019 capital program. As at June 30, 2019, net debt¹ totaled approximately \$116 million, representing a \$2 million quarter-over-quarter decrease from March 31, 2019.

2019 Guidance Reconfirmed

The Company is pleased to reconfirm its full-year 2019 guidance, with estimates unchanged from those set out in PPR's year end 2018 news release dated March 27, 2019.

Prairie Provident's efficient and disciplined 2019 capital budget of \$14.2 million is expected to be funded with internally-generated adjusted funds flow. Management and the board will continuously review, and as needed adjust, the capital budget considering commodity prices, economics and market opportunities. The Company remains focused on responsibly managing its inventory of high-quality drilling locations, capital spending and asset retirement obligations, while seeking to enhance per share production, reserves, and adjusted funds flow for shareholders.

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 the Michichi and Princess areas in Southern Alberta targeting the Banff, the Ellerslie and the Lithic Glauconite formations, along with an established and proven waterflood project at our Evi area 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.

For further information, please contact:

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Cautionary Statements

Information Regarding Disclosure on Oil and Gas and Operational Information and Non-IFRS Measures

The Company uses certain terms in this news release (and will use terms in the MD&A when filed) that do not have a standardized or prescribed meaning under International Financial Reporting Standards (IFRS), and, accordingly these measurements may not be comparable with the calculation of similar measurements used by other companies. A reconciliation of each non-IFRS measure to its nearest IFRS measure will be provided in the MD&A. Non-IFRS 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.

Potential Drilling Opportunities ‐ Of the drilling opportunities referenced in this news release, two Lithic Glauconite opportunities and one Detrital opportunity are booked locations to which reserves were assigned by Sproule Associates Limited, the Company's independent qualified reserves evaluator, in its year-end evaluation of Prairie Provident's reserves effective December 31, 2018. All other identified opportunities are drilling prospects assessed internally by management (through personnel that is a qualified reserves evaluator within the meaning of applicable securities laws but is not independent of the Company) based on land holdings, development history and geological experience. These other opportunities have not been independently evaluated and assigned reserves or resources in accordance with the COGE Handbook. There is no certainty that the Company will drill any particular locations, or that drilling activity on any location will result in additional oil and gas reserves, resources or production. Locations on which Prairie Provident does drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, commodity prices, anticipated costs, actual drilling results, additional reservoir information and other factors.

Adjusted Funds Flow ‐ Adjusted Funds Flow is calculated based on cash flow from operating activities before changes in non-cash working capital, transaction costs, restructuring costs, and other non-recurring items. Management believes that this measure provides an insightful assessment of PPR's operational performance on a continuing basis by eliminating certain non-cash charges and charges that are non-recurring or discretionary, and uses the measure to assess the Company's ability to finance operating activities, capital expenditures and debt repayments. Adjusted Funds Flow as presented is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Adjusted funds flow per share for a period is calculated based on the weighted average number of common shares outstanding during that period (consistent with the calculation of earnings per share).

Net Debt ‐ Net debt is defined as long-term debt 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.

Initial Production Rates – The initial production (IP) rates for its most recent Princess well as disclosed in this news release is preliminary in nature and may not be indicative of stabilized on-stream production rates, future product types, long-term well or reservoir performance, or ultimate recovery. Actual future results will differ from those realized during an initial short-term production period, and the difference may be material.

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, 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 constitute forward-looking statements.

Without limiting the foregoing, this news release contains forward-looking statements pertaining to: anticipated timing for filing the Company's interim financial statements and MD&A for Q2 2019; the Company's budgeted capital program for 2019 and the funding thereof from internal cash flow; anticipated adjusted funds flow; full year 2019 production guidance as set out in Prairie Provident's news release of March 27, 2019 (including expected average 2019 production volumes and liquids weighting, forecast 2019 year-end exit production rate, forecast 2019 operating expenses, forecast 2019 G&A expenses, and benchmark oil and natural gas price assumptions for 2019); and future development opportunities.

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: results from future drilling and development activities; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserves volumes; commodity price and cost assumptions; availability of debt and equity 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 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; and field production rates and decline rates.

The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly 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; the early stage of development of some of the evaluated areas and zones; unanticipated operating results or production declines; regulatory changes; changes in development plans; inaccurate estimation of Prairie Provident's oil and gas reserves volumes; limited, unfavourable or a lack of access to capital markets; increased costs; and such other risks as may be 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. 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.

¹ See "Information Regarding Disclosure on Oil and Gas and Operational Information and Non-IFRS Measures".

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