

Initial Closing of Private Placement

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CALGARY, December 17, 2019 - [Prospera Energy Inc.](#) ("Prospera" or the "Corporation") (TSX-V:PEI) is pleased to announce that it has completed an initial closing of its non-brokered private placement for gross proceeds of \$250,500 through the sale of 8,350,000 units ("Units") of a maximum 12,000,000 at a price of \$0.03 per Unit (the "Private Placement"). Each unit consists of one common share of the corporation and one-half common share purchase warrant. The warrants will not be listed. Each warrant shall be exercisable for one common share at a price of \$0.06 per common share for a period to and including Dec. 18, 2020.

The Corporation will utilize the net proceeds of the initial closing of the Private Placement for repayment of debt to the Corporation's principal lender.

The Corporation will not be proceeding with the previously proposed \$0.05 Unit Private Placement subject to a TSXV submission of September 21, 2019. Market pricing did not support such an offering and the Corporation received a discretionary waiver from the TSXV pursuant to their Minimum Pricing Requirement Bulletin of April 17, 2014 for the subject Private Placement.

All securities in the Private Placement are subject to a four-month hold period from closing.

The Corporation will continue to pursue completion of the maximum 12,000,000 Units in the Private Placement on or before January 20, 2020.

Insiders of the Corporation have participated in the Private Placement for a total amount of \$244,400 (90%). Of particular note, CEO Robert Richardson participated in the amount of \$105,000 and President and COO Sarshar Ahmad participated in the amount of \$50,100.

On December 17, 2019, the Corporation made a \$250,000 principal repayment to its lender, funded from the proceeds of the initial closing, with the Corporation improving its position under the Credit Facilities as follows:

- The lender has provided \$250,000 of debt forgiveness such that the reduction of the principal amount owing under the Credit Facilities totals \$500,000;
- The interest rate on the Credit Facilities has been reduced from 9.5 to 9.0 percent per annum effective December 17, 2019; and
- Monthly amortization payments have been reduced from the recent increase to \$125,000 in October, 2019 back to \$100,000 effective December 31, 2019.

"The management team at Prospera is extremely pleased with the closing of the initial Private Placement and terms of the most recent arrangement with its lender." CEO Robert Richardson stated. "The funds raised through the Private Placement has allowed Prospera to greatly reduce its long-term debt while minimizing exposure to excessive dilution. This arrangement displays the Corporation's ongoing commitment to the continued overall growth strategy while maintaining balance and awareness of all stakeholder's interests."

About Prospera

[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.

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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 may contain forward-looking statements concerning: (i) additional equity financing including under the Private Placement; (ii) status of Credit Facilities; (iii) general growth of the Corporation; (iv) production (v) planned drilling, reactivation, development and waterflood activities, and (vi) potential opportunities associated with the operations.

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 a number of 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 TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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