

Prairie Storm Resources Corp. Announces 2020 Results

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CALGARY, April 29, 2021 - [Prairie Storm Resources Corp.](#) ("Prairie Storm" or the "Company") (TSXV: PSEC) is pleased to announce its audited financial and operating results for the quarter and year ended December 31, 2020.

Selected financial and operating information is outlined below and should be read in conjunction with Prairie Storm's audited annual consolidated financial statements and related management's discussion and analysis for the three and twelve months ended December 31, 2020, which are available at the Company's SEDAR profile at www.sedar.com.

Financial and Operating Highlights

Financial Summary

	Three months ended		Year ended	
(Thousands, except per share amounts or as otherwise stated)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
OPERATING				
Production				
Oil (bbls/d)	582	776	623	840
Liquids (bbls/d)	502	569	534	415
Natural gas (mcf/d)	5,585	6,253	5,880	6,659
Oil equivalent (boe/d)	2,015	2,387	2,137	2,365
Average realized pricing				
Oil (\$/bbl)	\$ 48.52	\$ 64.41	\$ 42.64	\$ 65.80
Liquids (\$/bbl)	20.65	18.03	15.61	22.00
Natural gas (\$/mcf)	2.68	2.51	2.21	1.77
Blended (\$/boe)	\$ 26.59	\$ 31.81	\$ 22.40	\$ 32.23
Netbacks per boe				
Production revenue	\$ 26.59	\$ 31.81	\$ 22.40	\$ 32.23
Processing income	0.41	0.66	0.85	0.88
Royalties	(2.33)	(3.01)	(2.10)	(2.86)
Field operations	(14.09)	(12.24)	(11.38)	(13.79)
Transportation and marketing	(0.06)	(0.10)	(0.07)	(0.07)
Field netbacks ⁽¹⁾	10.52	17.12	9.70	16.39
Realized gain (loss) on commodity contracts	0.60	(0.36)	2.77	0.39
Operating netbacks ⁽¹⁾	\$ 11.12	\$ 16.76	\$ 12.47	\$ 16.78

	Three months ended		Year ended	
(Thousands, except per share amounts or as otherwise stated)	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
FINANCIAL				
Cash flow from operating activities	\$ 859	\$ 3,316	\$ 6,185	\$ 9,991
per share - basic and diluted	0.01	0.04	0.08	0.13
Adjusted funds flow ⁽¹⁾	1,382	2,825	6,327	11,029
per share - basic and diluted	0.02	0.04	0.08	0.14
Net loss	(1,637)	(824)	(19,059)	(1,780)
per share - basic and diluted	(0.02)	(0.01)	(0.24)	(0.02)
Capital expenditures	77	562	238	6,481
Shares outstanding				
weighted average - basic and diluted	88,693	76,332	79,439	76,332
period end	147,410	76,332	147,410	76,332

(1) Non-IFRS Measures

Message to Shareholders

The Company completed its public listing process at the conclusion of a tumultuous year for the energy sector. On December 21, 2020, the Company's shares began trading on the TSXV. In response to volatile market conditions and the sharp decline in global commodity prices during the course of 2020, Prairie Storm undertook several measures to protect its balance sheet, maintain liquidity and preserve long term value for shareholders.

While production in the fourth quarter of 2020 and the full year of 2020 was marginally down from the equivalent periods of 2019, the Company did not drill or complete any wells during 2020 and expended only minimal capital.

With operatorship of three waterflooded oil units, our asset base demonstrated a moderate decline profile that allowed the Company to preserve a strong balance sheet. The Company ended 2020 with no debt and a positive working capital balance in excess of \$4.5 million.

The Company also undertook measures to reduce and manage its cost structure which enabled it to lower its field operating costs by over \$2.00/boe for the full year.

The prudent measures undertaken in 2020 to limit spending and control costs have allowed the Company to enter 2021 in a strong financial position. With no debt and improved operating netbacks the Company has significant flexibility in managing its growth profile in the future by capitalizing on improving commodity pricing.

On behalf of our employees, management team and Board of Directors, we would like to thank our shareholders for their ongoing support.

About Prairie Storm Resources Corp.

Prairie Storm is a Canadian oil company with a largely contiguous land base focused on sustainable growth of its high netback, low decline oil assets through water flood enhanced recovery methods and exploitation of the bioturbated Cardium and Glauconitic formations. Prairie Storm has no debt and a positive working capital position. The shares of the Company trade on the TSX Venture Exchange under the symbol "PSEC".

NOTE REGARDING FORWARD LOOKING STATEMENTS

Forward-looking Information

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", "potential", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, focus, objectives, priorities and position; Prairie Storm's position to deliver strong shareholder returns in 2021 and beyond; quantity of drilling locations in inventory; our ability to drive down costs and improve capital efficiencies by eliminating redundancies, streamlining processes and negotiating preferential rates through economies of scale; our 2021 capital program and the allocation thereof; the number of wells to be drilled in 2021 and the timing, location, and target thereof; EOR projects and anticipated benefits therefrom; timing of certain wells to be on production.

The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; the impact (and the duration thereof) that the COVID-19 pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, and (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas; the ability of OPEC+ nations and other major producers of crude oil to reduce crude oil production and thereby arrest and reverse the steep decline in world crude oil prices; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to market oil and natural gas successfully and our ability to access capital.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Prairie Storm can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; pandemics and epidemics; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; and changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental regulations. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release to provide security holders with a more complete perspective of our future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these

and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Oil and Gas Advisories

References to crude oil or natural gas production in this press release refer to the light and medium crude oil and conventional natural gas, respectively, product types as defined in NI 51-101.

"Boe" means barrel of oil equivalent based on 6 mcf of natural gas to 1 bbl of oil. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, 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 of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. Currency: All dollar values in this news release are in Canadian dollars unless otherwise noted.

NON-IFRS MEASURES

This press release includes non-IFRS measures as further described below. These measures have no standardized meanings, are not defined by IFRS, and accordingly are referred to as non-IFRS measures. The determination of these measures may not be comparable to the same as reported by other companies and should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined by IFRS as an indicator of the Company's performance or liquidity. See the Company's Management's Discussion and Analysis as at and for the three months and year ended December 31, 2020 for a reconciliation of the non-IFRS measures.

"Adjusted funds flow" The Company considers adjusted funds flow to be a key measure as it demonstrates the Company's ability to generate the cash necessary to repay debt and to fund future growth through capital investment. Prairie Storm determines adjusted funds flow as cash provided by operating activities prior to changes in non-cash working capital items, transaction costs and decommissioning expenditures.

Contact

Please visit the Company's SEDAR profile at www.sedar.com or contact Hugh Ross, President & Chief Executive Officer, Telephone: (403) 774-2901 or Julian Din, VP Business Development, Telephone: (403) 774-2904. They provide an indication of results generated by the Company's principal business activities before the consideration of how these activities are financed or how the results are taxed. Field netbacks are calculated by taking production and processing revenue and deducting royalties, field operations, and transportation and marketing expenses.

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"Operating netbacks" are field netbacks, plus or minus realized gains or losses on commodity contracts.

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