Prairie Provident Resources Provides Basal Quartz Drilling Update

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CALGARY, Dec. 18, 2024 - Prairie Provident Resources Inc. ("Prairie Provident" or the "Company") (TSX:PPR) is pleased to provide an update on its first two Basal Quartz wells in the Michichi area of Central Alberta.

Prairie Provident spud the first Basal Quartz horizontal well, 102/03-19-030-18W4, on October 15, 2024. Following the nine-day drilling operation, the well was fracture stimulated and brought on-stream through production test facilities, with produced natural gas being conserved, on November 9, 2024. This represents an on-stream cycle time of 25 days. The well is currently being produced on cleanup with an initial 30-day average production rate ("IP30") of approximately 275 bbl/d of medium crude oil and 850 Mcf/d of natural gas (415 boe/d). The well is equipped with conventional artificial lift and is still capable of flowing. Production has been restricted to optimize reservoir management.

Prairie Provident spud the second Basal Quartz horizontal well, 100/15-32-029-18W4, on October 25, 2024. This well was drilled in seven days, fracture stimulated, and brought on-stream on November 18, 2024, representing an on-stream cycle time of 24 days. Produced natural gas volumes have been conserved since the commencement of production. This well is being produced on cleanup and achieved an initial 21-day average production rate of approximately 240 bbl/d of medium crude oil and 800 Mcf/d of natural gas (375 boe/d) through production test facilities. The well is equipped with conventional artificial lift and is still capable of flowing. Production on this well has also been restricted to optimize reservoir management. Due to a downhole mechanical issue in the horizontal lateral, 29 of 50 stages or 815 meters of the 1,325 meters of total drilled lateral were fracture stimulated. The Company expects that future infill locations in section 32 have the potential to produce at higher rates with the full 1,400-meter horizontal lateral leg being fracture stimulated and contributing to overall production rates.

Prairie Provident has adjusted its Michichi Basal Quartz type curve to reflect the prudent reservoir management being practiced. This type curve exhibits a lower IP30 rate, along with a more gradual decline rate, resulting in an estimated payout of seven months at December 9, 2024 strip pricing. Both the 102/03-19 and 100/15-32 wells are now producing through permanent Company-operated facilities, allowing continued optimized production rates from both wells.

Prairie Provident's current production is approximately 2,800 boe/d. The Company has identified more than 40 Basal Quartz potential drilling opportunities on its Michichi lands alone. These drilling opportunities are not booked in the most recent independent evaluation of Prairie Provident's reserves data, effective December 31, 2023. The Company's existing proved undeveloped reserves bookings at Michichi, as reflected in the 2023 year-end evaluation, consist primarily of Banff formation oil reserves.

ABOUT PRAIRIE PROVIDENT

Prairie Provident is a Calgary-based company engaged in the exploration and development of oil and natural gas properties in Alberta, including a position in the emerging Basal Quartz trend in the Michichi area of Central Alberta.

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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. Forward-looking statements are typically, but not always, identified by words such as "anticipate", "believe", "expect", "intend", "plan", "budget", "forecast", "target", "estimate", "propose", "potential", "project", "seek", "continue", "may", "will", "should" or similar words suggesting future outcomes or events or statements regarding an outlook.

Without limiting the foregoing, this news release contains forward-looking statements pertaining to: Basal Quartz, drilling opportunities, including estimated payout periods on potential Basal Quartz wells.

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 drilling and development activities; consistency with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells (including with respect to production profile, decline rate and product type mix); the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserves volumes; future commodity prices; future operating and other costs; future USD/CAD exchange rates; future interest rates; continued availability of external financing and internally generated 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 stability of the economic and political environment in which Prairie Provident operates; 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; drilling results; the ability of the operator of the projects in which Prairie Provident has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Prairie Provident to secure adequate product transportation; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Prairie Provident operates; and the ability of Prairie Provident to successfully market its oil and natural gas production.

The forward-looking statements included in this news release are not guarantees of future performance or promises of future outcomes and should not be 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: reduced access to external debt financing; higher interest costs or other restrictive terms of debt financing; changes in realized commodity prices; changes in the demand for or supply of Prairie Provident's products; the early stage of development of some of the evaluated areas and zones; the potential for variation in the quality of the geologic formations targeted by Prairie Provident's operations; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Prairie Provident or by third party operators; increased debt levels or debt service requirements; inaccurate estimation of Prairie Provident's oil and reserves volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; 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 dated April 1, 2024 as filed with Canadian securities regulators and available from the SEDAR+ website (www.sedarplus.ca) under Prairie Provident's issuer profile).

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.

Oil and Gas Reader Advisories

Barrels of Oil Equivalent. The oil and natural 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 (6 Mcf) 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. Boe's 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.

Potential Drilling Opportunities vs Booked Locations. References in this news release to "potential drilling opportunities" are references to locations for which there are no reserves or resources attributed by Sproule Associates Limited (Sproule), the Company's independent qualified reserves evaluator, in its most recent year-end evaluation of Prairie Provident's reserves data, effective December 31, 2023, under National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities (NI 51-101), but which the Company internally estimates can be drilled based on current land holdings, industry practice regarding well density, and internal review of geologic, geophysical, seismic, engineering, production and resource information. There is no certainty that the Company will drill any particular locations, or that drilling activity on any locations will result in additional reserves, resources or production. Locations on which Prairie Provident in fact drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, commodity prices, costs, actual drilling results, additional reservoir information and other factors. There is a higher level of risk associated with locations that are potential drilling opportunities and not "booked locations" to which Sproule attributed proved reserves or probable reserves in its 2023 year-end evaluation of the Company's reserves data. Prairie Provident generally has less information about reservoir characteristics associated with locations that are potential drilling opportunities and, accordingly, there is greater uncertainty whether wells will ultimately be drilled in such locations and, if drilled, whether they will result in additional reserves, resources or production.

Type Well (Type Curve) Information. Information contained in this news release regarding estimated payout periods on potential Basal Quartz wells is based on the Company's internally-defined type wells (type curves). Type well information reflects Prairie Provident's expectations and experience in relation to wells of the indicated types, including with respect to costs, production and decline rates. There is no assurance that actual well-related results (including payout periods) will be in accordance with those suggested by the type well information. Actual results will differ, and the difference may be material.

Initial Production Rates. This news release discloses initial production rates for certain wells as indicated. Initial production rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Actual results will differ from those realized during an initial short-term production period, and the difference may be material.

Payout. Prairie Provident considers payout on a well to be achieved when future net revenue from the well is equal to the capital costs to drill, complete, equip and tie-in the well. Forecasted payout periods disclosed in this news release are based on the following commodity price and CAD/USD exchange rate assumptions: strip pricing at December 9, 2024, and CAD $1.41 to USD $1.00.

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