

## PROSPERA ENERGY INC. REPORTS 2019 REVENUE OF \$7,940,850 - INCREASE OF 157%

Calgary, Alberta / May 21, 2020 / Prospera Energy Inc. ("Prospera", the "Corporation") is pleased to announce its financial and operating results for 2019. The condensed interim financial statements, and related management's discussion and analysis ("MD&A") will be available at [www.sedar.com](http://www.sedar.com) and [www.prosperaenergy.com](http://www.prosperaenergy.com).

### OPERATION AND FINANCIAL SUMMARY

The Corporation's oil and gas revenues have continued to experience significant growth due to changes in production volumes and the acquisition of additional working interest in the producing properties located in southwest Saskatchewan and eastern Alberta (the "Assets").

### RESULTS OF OPERATIONS

|  | Three months ended<br>December 31 |         | Year ended<br>December 31 |           |
|--|-----------------------------------|---------|---------------------------|-----------|
|  | 2019                              | 2018    | 2019                      | 2018      |
| Total P&NG sales                       | 1,791,381                         | 712,848 | 7,940,850                 | 3,094,542 |
| Daily P&NG sales volumes (BOE per day) | 399                               | 239     | 397                       | 170       |
| Per BOE                                |                                   |         |                           |           |
| P&NG sales (\$)                        | 48.82                             | 35.22   | 54.82                     | 49.77     |
| Royalties (\$)                         | (5.21)                            | (2.65)  | (4.84)                    | (3.94)    |
| Operating costs (\$)                   | (45.09)                           | (45.76) | (39.82)                   | (34.06)   |
| Operating netback (\$)                 | (1.48)                            | (13.19) | 10.16                     | 11.77     |

|  | Year ended<br>December 31 |              |
|--|---------------------------|--------------|
|  | 2019                      | 2018         |
| P&NG sales   | \$ 7,940,850              | \$ 3,094,542 |
| Net profit (loss) and comprehensive profit (loss)            | (93,873)                  | (6,921,479)  |
| Net profit (loss) per share – basic and diluted              | 0.00                      | (0.18)       |
| Funds flow used by operations                                | 139,341                   | (257,705)    |
| Weighted average number of common shares – basic and diluted | 65,122,311                | 46,192,311   |

## **2019 YEAR END HIGHLIGHTS**

The Corporation's production averaged 399 boe/d, a 135% increase from the same period in 2018. This increase was driven by the continued successful development program and incremental production volume increases from the Luseland, Hearts Hill and Cuthbert properties acquired on June 11, 2018, the subsequent acquisition of additional working interest in the Assets on December 21, 2018 and the second quarter 2019 incremental 15 percent net working interest acquisition from a joint venture partner in the Hearts Hills and Luseland properties.

Total Sales were \$7,940,850 in 2019 compared to \$3,094,542 in 2018, representing a 157% increase.

Net Profit (Loss) for 2019 was (\$93,873) compared to a loss of (\$6,921,479) in 2018

Operating netbacks averaged \$10.16/boe for 2019, compared to \$11.77 in 2018.

As at December 31, 2019, total net debt of \$2,412,424 remained on the Corporation's credit facilities compared to \$4,915,125 on Dec 31, 2018.

## **SUBSEQUENT EVENTS**

### *Credit facilities*

On April 29, 2019, the Corporation and its lender signed an amended credit facility agreement extending the loan to November 30, 2020 with the exception of the LLR being reduced to 1.25. Owing to the collapse of commodity prices and COVID-19, varying monthly payments have been agreed with the lender. As a result, the Corporation paid \$150,000 in advances for April, May and June and obtained a write down of debt from the lender of \$75,000. For July, August, September and October 2020 the amounts will be increased accordingly to meet the total commitments relating to the reduced amounts paid for April, May and June 2020. The debt owing to the lender as of April 30, 2020 is \$1,939,547.

## **2020 OUTLOOK AND GUIDANCE**

Prospera will be providing updated information and further guidance on the Corporation's current output levels and 2020 reactivation program, as well as ongoing production enhancements and its continued growth strategy in the first week of June.

## **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.

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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 may contain forward-looking statements concerning: (i) production (ii) planned drilling, reactivation, development and waterflood activities, (iii) the potential number of drilling locations on the 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 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.***

*SOURCE: Prospera Energy Inc.*