

**PROSPERA ENERGY INC.  
PRESS RELEASE**

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**Second Major Principal Debt Repayment and Closing of Private Placement**

**Calgary, Alberta, Canada, January 2, 2020: Prospera Energy Inc. ("Prospera" or the "Corporation") (PEI:TSX-V; OF6A:FRA) is pleased to announce the following:**

**I. Credit Facility**

The Corporation has completed a second major debt repayment in December. On December 31, 2019, Prospera processed a second \$250,000 principal repayment to its lender. This payment was fully funded by internal cash flow and has allowed the Corporation to further improve its position under the Credit Facility as follows:

- The lender has again matched the Corporation's \$250,000 payment with equivalent debt forgiveness such that the reduction of the principal amount owing under the Credit Facility totals \$500,000 in this transaction; and
- The lender has agreed to extend the maturity date of the Corporation's Credit Facility to November 30, 2020.

The matching \$250,000 principle reduction in this transaction would not have been possible without the previously announced December 17, 2019 debt reduction achieved by the market-price private placement.

Combined with amortization payments and the December 17, 2019 principal debt repayment, the Corporation has reduced its Credit Facility from \$4,915,125 million on December 31, 2018 to approximately \$2.415 million as of December 31, 2019, a reduction of nearly 51%.

**II. Private Placement**

The Corporation also announces that it has completed the final closing of its non-brokered private placement as of December 31, 2019. The Private Placement was held open after the December 17, 2019 repayment in order to allow potential and existing shareholders to also participate and thereby ensure fairness to all. The total gross proceeds of \$250,500 were received 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.

All securities in the Private Placement are subject to a four-month hold period from closing. Insiders of the Corporation have participated in the Private Placement for a total amount of \$224,400 (this is an adjustment from a typo on the December 17, 2019 press release which stated \$244,400).

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. The insiders of the Corporation limited their contributions to the Private Placement to an amount necessary to guarantee the initial required payment was made to the lender while minimizing overall share dilution.

"The management team at Prospera is extremely pleased with combined terms of the recent arrangements with its lender." CEO Robert Richardson states: "With the reduction in Credit Facility, amortization payments and ongoing interest rate, we will now accelerate our attention and focus towards reducing other liabilities while also prudently funding operating cost reduction projects, production growth opportunities and other sustainability initiatives. The Corporation is committed to the long-term growth of shareholder value while also maintaining the 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.

### **For further information:**

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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 Facility; (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.**