

Prospera Energy Inc. announces 98% increase in current assets in Q1 2023 financial results

CALGARY, Alberta, May 31, 2023 -- Prospera Energy Inc. ("**Prospera**" or the "**Corporation**") (PEI: TSX-V; OF6B: FRA)

Prospera announces its first quarter 2023 financial and operating results. Selected financial and operational information outlined below should be read in conjunction with the Company's financial statements and related management's discussion and analysis (MD&A) for the quarter ended March 31, 2023.

Prospera is pleased to announce increased working capital by \$7,788,265 from various sources of funding as follows:

- Warrants exercised provided \$4,459,265 to PEI without affecting fully diluted shares.
- Principle investor extended matured convertible debt of \$1,500,000 by two years to 2025 to allow for PEI capital development without affecting working capital.
- 8% debt with equity bonus added \$2,015,000 resulting in only 0.3% dilution to fully diluted shares.
- Equity private placement contributed \$1,314,000 resulting in 6.7% dilution to fully diluted shares.
- Improved working capital increased the Q1 2023 current assets by 98% to \$4,740,967 from \$2,399,097 (Q4 2022).

PEI Q1 2023 revenue was affected by reduced commodity pricing, widened heavy oil differentials and winter affected lower production resulting in \$1,562,012 net revenue compared to \$3,444,996 in Q1 2022.

- Extreme cold weather and heavy snowfall curtailed net sales to 295 boe/d (363 gross) in Q1 2023. Currently, PEI has resurrected production levels to approximately 800 boe/d with an additional 200 boe/d being reinstated. Subsequently, Prospera's robust capital development program is expected to commence at the end of Q2. This program consisting of 8 medium oil vertical wells and 10 medium-heavy horizontal wells is predicted to contribute an additional 1,000 bpd.
- Low global commodity prices in Q1 2023 reduced PEI's sales price to \$58.87/boe vs. \$81.07/boe in Q1 2022. Currently, these oil prices have recovered to \$70/boe and Prospera anticipates stable or strengthening sales prices for the remainder of the year.

<u>Operating Netback</u>	<u>Q1 2023</u>	<u>Q1 2022</u>
Total petroleum and natural gas sales	1,562,012	3,463,047
Transportation Costs	(180,449)	(94,953)
Royalties	(188,727)	(391,498)
Operating & restructuring costs	(1,742,455)	(1,899,856)
Operating netback	(549,618)	1,076,740
<u>Dollar per BOE</u>	<u>Q1 2023</u>	<u>Q1 2022</u>
Sales	58.87	81.07
Transportation Costs	(6.80)	(2.22)
Royalties	(7.11)	(9.16)
Operating cost	(65.67)	(44.48)
Operating netback	(20.72)	25.21

Restructured Prospera is positioned for 2023 record growth after 2022 transformational year of production, revenue, and profitability.

	<u>March 31,</u>	<u>December</u>
<u>ASSETS</u>	<u>2023</u>	<u>31, 2022</u>
Current assets		
Cash	\$ 2,754,075	\$ 1,050,960
Trade and other receivables	1,463,281	838,500
Prepaid expenses and deposits	73,762	59,788
Inventory	449,849	449,849
Total current assets	4,740,967	2,399,097
Non-current assets		
Trade and other receivables	3,195,935	2,844,129
Deposits	874,706	918,902
Property and equipment	28,616,943	28,984,586
Right-of-use	622,407	661,941
Total assets	\$ 38,050,959	\$ 35,808,655

Restructured Prospera continues to increase its asset value by executing its development program to capture the significant remaining reserves.

PEI has submitted its quarter-end financial information for 2023, within the Company's issuer profile on SEDAR at www.sedar.com.

2023 Outlook

PEI restructured efforts have resulted in manageable liabilities, safe operating infrastructure and optimized critical production rates up to gross 1,000 boepd from vertical wells. In 2023, PEI has positioned itself to execute the second phase of PEI development plan that is to increase production through medium-oil development in Alberta and medium-heavy-oil horizontal wells and capture the significant remaining reserves in Saskatchewan. While abandoning vertical wells and reducing the environmental footprint and ARO obligations.

About Prospera

Prospera is a public oil and gas exploration, exploitation and development company focusing on conventional oil and gas reservoirs in Western Canada. Prospera will use its experience to develop, acquire, and drill assets with potential for primary and secondary recovery.

For further information:

Shawn Mehler, PR
Email: smehler@prosperaenergy.com
Website: www.prosperaenergy.com

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.

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. 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.