

Prospera Provides Annual Filing Status Update

CALGARY, Alberta, May 23, 2024 -- Prospera Energy Inc. ("**Prospera**" or the "**Corporation**") (TSX.V: PEI, OTC: GXRFF, FRA: OF6B, OF6B.SG, OF6B.F, OF6B.BE) provides its second bi-weekly Default Status Report under National Policy 12-203 *Management Cease Trade Orders* ("**NP 12-203**"), pursuant to which Prospera issued its original default announcement indicating that the filing of its annual audited financial statements, annual management's discussion and analysis and related certifications for the year ended December 31, 2023 (collectively, the "**Required Documents**") would be delayed beyond the filing deadline of April 29, 2024. Prospera reports that since issuing the original default announcement on April 25, 2024, there have been no material changes to the information contained therein that has not been disclosed, nor any failure by Prospera to fulfill its intentions as stated therein, other than as set forth below.

The Corporation's Board of Directors and management confirm that the audit is ongoing and that they are working expeditiously to file the Required Documents and expect to do so on or before May 29, 2024, and confirm that since the Corporation's news release dated May 9, 2024, there is no other material information respecting the Corporation's affairs that has not been generally disclosed. The Corporation continues to work with its auditor to complete the annual audit as soon as practicable.

Until the Required Documents have been filed, the Corporation intends to continue to satisfy the provisions of the alternative information guidelines specified in NP 12-203 by issuing bi-weekly default status reports in the form of further press releases for so long as the Corporation remains in default of the financial statement filing requirement. In the event that the Corporation does not file the Required Documents in a timely manner, the Canadian Securities Regulatory Authorities may impose an issuer cease trade order on the outstanding securities of the Corporation.

About Prospera

Prospera is a publicly traded energy company based in Western Canada, specializing in the exploration, development, and production of crude oil and natural gas. Prospera is primarily focused on optimizing hydrocarbon recovery from legacy fields through environmentally safe and efficient reservoir development methods and production practices. Prospera was restructured in the first quarter of 2021 to become profitable and in compliance with regulatory, environmental, municipal, landowner, and service stakeholders.

The company is in the midst of a three-stage restructuring process aimed at prioritizing cost effective operations while appreciating production capacity and reducing liabilities. Prospera has completed the first phase by optimizing low hanging opportunities, attaining free cash flow, while bringing operation to safe operating condition, all while remaining compliant. Currently, Prospera is executing phase II of the restructuring process, the horizontal transformation intended to accelerate growth and capture the significant oil in place (400 million bbls). These horizontal wells allow PEI to reduce its environmental and surface footprint by eliminating the numerous vertical well leases along the lateral path. Phase III of Prospera's corporate redevelopment strategy is to optimize recovery through EOR applications. Furthermore, Prospera will pursue its acquisition strategy to diversify its product mix and expand its core area. Its goal is to attain 50% light oil, 40% heavy oil and 10% gas.

The Corporation continues to apply efforts to minimize its environmental footprint. Also, efforts to reduce and eventually eliminate emissions, alongside pursuing innovative ESG methods to enhance API quality, thereby achieving higher margins and eliminating the need for diluents.

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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 the timing for filing the Required Documents and 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 TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.