



Prospera Energy Announces Financing & Operations Update and Q1 2025 Financials

CALGARY, Alberta, May 21, 2025 -- Prospera Energy Inc. (TSX.V: PEI, OTC: GXRFF) ("**Prospera**", "**PEI**" or the "**Corporation**")

Financing Update

Prospera Energy is pleased to announce it has secured commitments for \$3 million, with a substantial portion coming from company insiders through the recently announced convertible debenture and existing financing instruments. The funding is specifically earmarked for the recently initiated capital program and will be released in multiple tranches. This financing reflects strong internal alignment and confidence in Prospera's strategic business plan. The capital injection accelerates the Corporation's operational plans and positions it for continued production growth momentum throughout the summer. The recently announced convertible debenture offering remains open, presenting a timely opportunity for investors to participate alongside insiders as Prospera advances its execution strategy.

Operational Update

Service rig activity has begun at Cuthbert, with capital allocated to five well workovers (including a high impact horizontal well remediation from the 2023 drilling program), multiple water injector cleanouts and continued infrastructure upgrades. At Luseland, a five-well reactivation program is planned with equipment ordered and preparations started to build five single well batteries ("SWB").

The polymer flood pilot site has been finalized following reservoir analysis, injection capability & compatibility assessments, and source water confirmation. Lab and core analysis is now in progress with leading polymer partners as Prospera advances toward execution.

Prospera has completed its Q1 2025 reserves update, which reflect a \$5 million increase in PDP reserves, now totaling \$33 million —strengthening net asset value and capital-raising capacity.

Live Webinar to Accompany Q1 2025 Financial Results

Stakeholders are encouraged to join Prospera Energy for a live investor webinar on May 22nd, 2025, at 10:00 AM MST, where management will review Q1 2025 financial results, key operational milestones, and the Company's strategic direction: [Click here to register.](#)

Q1 2025 Financials

In the first quarter of 2025, Prospera deployed \$2.3 million of reactivation focused capital towards twenty-seven wells within its core, 100% owned Hearts Hill and Luseland properties. This program resulted in an additional production capability of 249 boe/d at an average capital efficiency of \$9,317/boe. The full benefit of the Q1 capital program is expected to be realized in Q2 with all of the wells being online. Additionally, Prospera successfully advanced several strategic initiatives during the quarter, including:

1) Secured Additional Term Debt Funding

Obtained \$3.3 million in additional advances pursuant to the term debt financing agreement executed in July 2024. This strategic funding enhances liquidity and supports the Corporation's ongoing development and optimization programs.

2) Acquisition of White Tundra Petroleum

On March 6, 2025, the Corporation entered into an agreement to acquire 100% of the issued and outstanding common shares of White Tundra Petroleum ("WTP"), whose assets are located near Loyalist and Hanna, Alberta.

This related party transaction—due to the Corporation's Executive Chairman also serving as WTP's CEO and a shareholder—includes consideration of 18,000,000 Prospera common shares, contingent upon WTP achieving 85 boe/d for three consecutive days, and the assumption of \$645,000 in debt. An additional 7,312,500 performance-based shares may be issued if production reaches 128 boe/d for seven consecutive days within six months of closing. The transaction, subject to TSXV approval, is expected to close on June 1, 2025.

3) Convertible Debt Settlement

On March 6, 2025, the Corporation reached a settlement agreement with the holders of \$1,500,000 in convertible debt maturing on March 26, 2025. The agreement includes:

- a. Refinancing the principal into a 12-month, \$1,500,000 promissory note bearing 12% interest, with \$250,000 monthly repayments beginning six months post-issuance. Interest will be paid as a balloon payment at the end of the term.
- b. \$200,000 of the total \$559,375 accrued interest payable on the convertible debentures will be settled through the issuance of a 12-month convertible note bearing 12% interest, convertible into common shares of the Corporation at

\$0.05 per share. The Corporation retains the right to settle the convertible note in cash by providing thirty days notice, during which time the holder retains the right to convert.

- c. the remaining \$359,375 of accrued interest payable will be settled through the issuance of 8,984,371 common shares of the Corporation at a deemed price of \$0.04 per share, subject to TSXV acceptance.

4) Corporate Workforce Optimization

Prospera completed a workforce optimization initiative that streamlined corporate decision-making and improved operational efficiency. This resulted in reductions in staffing, office, software, parking, and other G&A-related costs.

Operational highlights for Q1 2025 are as follows:

- PEI realized average net sales of 660 boe/d in Q1 2025, an increase of 3% from Q1 2024 net sales of 640 boe/d; an increase of 6% from Q4 2024 net sales of 625 boe/d .
- Sales revenue was \$4,598,472 (\$77.33/boe) in Q1 2025 compared to \$3,932,190 (\$67.44/boe) in Q1 2024, representing a 17% increase.
- Operating costs per boe increased 54% in Q1 2025 at \$59.46 per boe compared \$38.69 per boe in Q1 2024. Costs were higher due to multiple unplanned electricity outages, one-time infrastructure and road upgrades, bringing field equipment to baseline operating conditions followed by enhanced maintenance programs, health and safety upgrades, and additional costs associated with extreme cold weather experienced during the quarter.
- PEI earned an operating netback of \$627,266 (\$10.55/boe) in Q1 2025 compared to \$1,608,373 (\$27.56/boe) in Q1 2024; \$153,901 (\$2.68/boe) in Q4 2024.

About Prospera

Prospera Energy Inc. is a publicly traded Canadian energy company specializing in the exploration, development, and production of crude oil and natural gas. Headquartered in Calgary, Alberta, Prospera is dedicated to optimizing recovery from legacy fields using environmentally safe and efficient reservoir development methods and production practices. The company's core properties are strategically located in Saskatchewan and Alberta, including Cuthbert, Luseland, Hearts Hill, and Brooks. Prospera Energy Inc. is listed on the TSX Venture Exchange under the symbol PEI and the U.S. OTC Market under GXRFF.

Prospera reports gross production at the first point of sale, excluding gas used in operations and volumes from partners in arrears, even if cash proceeds are received. Gross production represents Prospera's working interest before royalties, while net production reflects its working interest after royalty deductions. These definitions align with ASC 51-324 to ensure consistency and transparency in reporting.

It is important to note that BOEs (barrels of oil equivalent) may be misleading, particularly if used in isolation. The BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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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.

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 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.