

## Prospera Energy Inc. Announces 2024 Year-End-Reserves

CALGARY, Alberta, Feb. 22, 2025 -- Prospera Energy Inc. (TSX.V: PEI, OTC: GXRFF) ("**Prospera**", "**PEI**" or the "**Corporation**")

Prospera Energy Inc. (TSXV: PEI, OTC: GXRFF) ("Prospera," "PEI," or the "Corporation") is pleased to announce its 2024 year-end reserves, highlighting significant growth in Proven Developed Producing ("PDP") and Total Proved plus Probable ("2P") reserves. The reserves and future net revenue of the Corporation were prepared by InSite Petroleum Consultants Ltd. ("InSite"), an independent qualified reserves evaluator, in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGEH") standards. InSite prepared a report dated February 21, 2025 (the "InSite Report"), in which it has evaluated, as of December 31, 2024, the oil and gas reserves attributable to the principal properties of the Corporation. The evaluation assumes that each property included in the estimate will be developed, without considering the Corporation's ability to secure the necessary funding for that development. The oil and gas annual disclosure can be found on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

### Corporate Overview:

The Corporation's core strategy is focused on proven developed non-producing ("PDNP") and proven undeveloped ("PUD") to PDP conversions through a series of low-risk, low-decline workovers, recompletions and reactivations in our core Cuthbert, Luseland, and Hearts Hill properties. To increase gross production above 1,000 barrels per day, the Corporation will bring online incremental wells with capital intensity of less than \$8,000 per flowing barrel to ensure efficient usage of capital. Progress related to these programs will be provided in the Corporation's future monthly operational updates.

Notably, the Corporation has successfully converted wells with no reserves assigned ("NRA") into PDNP and PUD reserves, further increasing proven reserves and positioning for additional capital deployment in 2025. Furthermore, the acceleration of well reactivations has deferred asset retirement obligations ("ARO") by extending the economic life and productivity of these assets. By reactivating wells instead of abandoning them, the Corporation is transforming liabilities into revenue-generating assets, in turn, increasing cash flow rather than incurring abandonment costs. By prioritizing conversion of PDNP and PUD wells into PDP assets, the Corporation will further bolster its production, cash flow, and ability to attract additional growth capital to support its long-term reserves development vision.

### Key Highlights:

- NPV before tax for PDP reserves increased 3% from \$27.1MM to \$28.0MM at a 10% discount rate
- NPV before tax for PDNP reserves doubled from \$8.5MM to \$18.9MM at a 10% discount rate
- NPV before tax for 1P reserves increased 24% from \$89.9MM to \$111.4MM at a 10% discount rate.
- NPV before tax for 2P reserves increased 20% from \$133.3MM to \$159.3MM at a 10% discount rate
- Gross 2P reserves increased by 26% from 5,403 to 6,793 Mboe (98% liquids)
- Total Proved ("1P") reserve life index ("RLI") increased by 8% from 24.8 to 26.7 years
- 2P RLI increased by 5% from 30.1 to 31.7 years
- 2P Finding and Development ("F&D") costs of \$10.59/boe
- Net asset value per share: 1P at \$0.17 and 2P at \$0.28 at a 10% discount rate

Net present value ("NPV") is estimated using forecast prices and costs

### Net Present Value Growth and Market Capitalization Trends (2020-2024)



#### NI 51-101 Table 2.1.1

The following table discloses, in the aggregate, the Corporation's gross and net proved and probable reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs in the InSite Report that are generally accepted as being a reasonable outlook of the future or fixed or currently determinable future prices or costs to which the Corporation is bound.

Prospera Energy Inc. Summary of Oil and Gas Reserves as of December 31, 2024 Forecast Prices and Costs								
Reserves Category	Light and Medium Oil (Mbbl)		Heavy Oil (Mbbl)		Solution Gas (MMcf)		Sales Gas (MMcf)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	232	196	1,136	1,070	24	-34	-	-
Proved Developed Non-Producing	112	92	587	573	9	2	269	226
Proved Undeveloped	96	77	2,576	2,460	11	11	-	-
Total Proved	440	365	4,299	4,103	44	-22	269	226
Total Probable	153	126	1,769	1,595	13	-8	464	421
Total Proved + Probable	593	491	6,068	5,698	57	-29	733	647

Gross reserves are the working interest share only. Net reserves are the working interest gross reserves plus all royalty interest reserves receivable less all royalty burdens payable. Conventional natural gas (solution) includes all gas produced in association with light, medium and heavy crude oil.

#### After Tax Results

As mandated by NI 51-101, after tax results are shown in the various tables of the InSite Report. After-tax calculations at the company level incorporated tax legislation and tax pool details for the Corporation, complying with the guidelines and philosophy of NI 51-101 in all material aspects. All future capital cost estimates herein have been categorized by tax pool definitions and used to supplement the year-end tax pool information provided by the Corporation. The year-end tax pool, as provided by the Corporation, is summarized below:

- Canadian Oil and Gas Property Expense (COGPE) \$19,242,826
- Canadian Development Expense (CDE) \$17,217,048
- Non-Capital Losses (100%) \$28,436,034

#### Remaining Reserves

Remaining reserves of oil and gas have been determined as of December 31, 2024. A summary of property gross and total company reserves follows:

Prospera Energy Inc. Summary of Reserves as of December 31, 2024		
	Proved Developed Producing	Total Proved Plus Probable
Oil – Mbbl		
Property Gross	1,425	7,113

Company WI	1,369	6,661
Company Net	1,267	6,189
Gas – MMcf		
Property Gross	24	790
Company WI	24	790
Company Net	-34	618
BOEs – MBOE		
Property Gross	1,429	7,245
Company WI	1,373	6,793
Company Net	1,261	6,292

### **Product Prices**

The InSite base product price forecast, effective January 1, 2025, was used for this evaluation. A copy of which is included in the InSite Report. To estimate actual received prices, adjustments were made to crude oil and by-products prices for quality and transportation tariffs. Similarly, adjustments were made to gas prices for heating value and transportation. It is assumed that the adjustment factors and increments will remain constant throughout the forecasts. Revenue data provided by the Corporation was used to quantify price adjustments. If such data was unavailable, typical values for the area were used to estimate price adjustments. Risks of political and economic uncertainties could affect future results and could cause results to differ materially from those expressed in this evaluation.

### **Qualification**

To prepare their evaluation, a technical presentation of properties was made by the Corporation to InSite. Data required by them was sourced from the Corporation, industry references and regulatory bodies. Neither field inspection nor environmental review of these properties were conducted by InSite, nor deemed necessary. Generally accepted engineering methods were employed to estimate reserves and forecast production. The InSite Report follows the Practice Standards and Guidelines of the Association of Professional Engineers and Geoscientists of Alberta (“APEGA”) and adheres in all material aspects to the business practices, evaluation procedures, and reserve definitions contained within NI 51-101 and the COGEH.

### **NI 51-101 Table 2.1.2**

The following table discloses, in the aggregate, the NPV of the Corporation’s future net revenue attributable to the reserves categories previously tabulated, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%. Future net revenue includes all resource income and is after capital investments, operating expenses, and royalties.

Prospera Energy Inc. Summary of Net Present Values of Future Net Revenue as of December 31, 20232024 Forecast Prices and Costs											
Reserves Category	Before Income Tax (MM\$)					After Income Tax (MM\$)					Before Tax Net value (\$/BOE)
	Discounted at (%/year)					Discounted at (%/year)					(%/year)
	0	5	10	15	20	0	5	10	15	20	10
Proved Developed Producing	3032.91	2931.3	28.10	25.0	22.26	2832.81	2831.03	2528.40	2225.90	2022.86	520.4
Proved Developed Non-Producing	1025.90	921.67	818.59	716.55	614.75	723.74	620.96	618.11	15.49	414.80	1925.13
Proved Undeveloped	89122.53	6887.60	5464.46	4449.25	3638.79	6691.30	5064.11	3947.11	3135.38	2528.60	2024.61
Total Proved	131179.33	108140.10	89111.94	7690.19	6575.96	102146.85	85116.0	7093.62	5976.67	5164.26	1623.13
Total Probable	7898.30	5666.85	4347.49	3436.51	2828.2	5772.72	4148.77	3135.70	2526.3	2020.45	1923.19
Total Proved + Probable	209277.53	164206.95	144159.73	110127.70	93104.1	160218.7	126164.77	102128.31	84103.70	7185.60	1623.85

Future operating costs are based on historical data. Wherever unavailable, they were estimated from analogous operations in the vicinity of the properties. The inflation of capital and operating costs is assumed to be 2.0% per annum after 2025. InSite has included cost estimates of well abandonment and reclamation for all existing wells, regardless of reserves assignment, and undeveloped locations assigned reserves. Estimates have been prepared based on historical costs and published guidance from provincial liability management or rating. It is understood that all abandonment and reclamation costs of wells and facilities have been accounted for by the Corporation.

### **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.

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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.**

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/a2427c7d-19dd-4737-9dbc-7ded2930b4a4>