



Corporate Presentation

February 2019

Forward Looking Statements

This presentation includes certain “forward information”. All information, other than information of historical fact, included herein, including without limitation, information regarding potential reserves, exploration results and future plans and objectives of Prospera Energy Inc. (“Prospera”) are forward looking information that involve various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such information. This presentation may include forward-looking statements including opinions, assumptions and estimates of future production, reserves, cash flow and earnings.

Forward-looking statements are subject to a wide range of risks and uncertainties. Although Prospera believes that expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward looking statements including, but not limited to, the volatility of oil and gas prices, the ability to obtain financing, changes in oil and gas acquisition and drilling programs, operating risks, production rates, reserve estimates and changes in general economic conditions.

The information presented in this presentation is considered to be accurate; however, there is no expressed or implied representation or warranty as to the accuracy of any such information. The forward-looking statements made herein are made as of the date hereof, and Prospera does not undertake any obligation to update such statements to reflect any new information, subsequent results or events or otherwise unless required under applicable securities laws.

The reserve estimates and forecasts of production and revenues for the Company’s properties were prepared within the context of the Company’s year-end evaluation, which was an evaluation of all of the Company’s properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.

Corporate Overview

- Canadian public corporation listed for trading (PEI) on the TSX Venture Exchange.
- Growth oriented exploration, development and production of oil and natural gas in Western Canada.
- Strategic objective to grow shareholder value based on current assets while remaining focused on continued expansion, exploration and production opportunities.
- Current production of ~800 boepd (~325 boepd NET)
 - Growth potential to >1900 bopd (1000 bopd NET) within 12 months
 - Low decline production (~8-10%)
 - Production was curtailed in Q4 2018 due to historically high WCS differentials (US \$45/bbl)
- 2P reserves of 2.2 mmboe, NPV10 of \$25.9MM
- ~54 million shares outstanding
- LMR ~1.75 with deemed asset value >\$19MM
- Inventory includes:
 - ~100 reactivation candidates
 - Infrastructure optimization projects
 - Infill drilling opportunities (PUD's)
 - Enhanced Oil Recovery (EOR)

Capital Structure

- The Company trades on the TSX Venture Exchange under the symbol PEI and common shares on the Frankfurt Stock Exchange under the symbol OF6A.

Capitalization	(millions)
Shares Outstanding (Basic)	53.75
Options	1.35
Warrants	9.08
Shares Outstanding (Fully Diluted)	64.18
Net Debt from Credit Facilities (Sep 30, 2018)	\$5.23

As of January 30, 2019

Management and Board of Directors

Burkhard Franz– President & CEO, Director

- 20 years experience in the international resources equity markets. Held several executive positions with varied responsibilities in mining and oil and gas companies in Canada and Ecuador, South America.

Daryl Fridhandler – Q.C, Chairman, Director

- Partner with the law firm of Burnet, Duckworth & Palmer LLP and practices as a member of the firm's corporate, securities, mergers and acquisitions and commercial transactions groups

Savi Franz– Chief Financial Officer

- 25 years of industry experience broadly distributed across finance and accounting functions at escalating seniority and has progressively held more responsible positions. Proficient in the organization of accounting systems and processes in early stage, growing oil and gas companies.

Lorraine McVean– Director

- Practicing lawyer engaged in the provision of legal consulting services to various entities in the oil and gas industry. Prior to becoming a consultant, she was a senior legal executive and officer of an intermediate publicly traded oil and gas company. Ms. McVean's legal practice has been focused on corporate merger and acquisition activity as well as the acquisition and divestiture of oil and gas assets.

Glenn Thunberg - Vice President of Production and Operations

- 25 years of industry experience in production, operations and facilities engineering, project management and corporate management. He Extensive experience in Canada holding positions of increasing responsibility with Renaissance Energy Ltd., Storm Energy Inc., Trident Exploration Corp and Goodland Energy Ltd. International experience working for Pacalta Resources Ltd. in Ecuador.

Sarshar Ahmad – Consulting Geologist

- 20 years of experience in the upstream oil and gas industry. Extensive experience in acquisition evaluation and assessment of exploration assets and development projects, geological expertise in drilling operations, and integration of new technology to improve efficiency of oil and gas upstream operations

Marty Yurchak – Consulting Geophysicist

- 18 years of experience as a geoscientist in the Canadian oil and gas industry. Held varying positions within numerous asset teams at Exxon Mobil Canada, Bonavista Energy, Storm Gas Resources, and Goodland Energy. Experience in developing financial and economic models, corporate presentations and marketing.

Reserves

- Proved plus Probable reserves of 2.2 mmboe, as evaluated by Sproule⁽²⁰¹⁷⁾/Ryder Scott⁽²⁰¹⁶⁾, effective Dec 31, 2017
 - NPV 10%, before tax of ~\$26 million
- Oil weighting of the reserves is 95%
- Total proved reserves make up ~47% of the reserve evaluation
- Updated reserves are currently being undertaken by McDaniel & Associates Consultants and will be available late Q1 2019

	Total Proved (BOE)	Total Proved + Probable (BOE)	Total Proved (BBL)	Total Proved + Probable (BBL)	Total Proved (NPV-10)	Total Proved + Probable (NPV-10)
CUTHBERT	405,650	1,231,569	388,694	1,189,888	2,904,565	8,612,630
LUSELAND	36,127	87,662	28,289	70,013	NIL	NIL
HEARTS HILL	190,899	361,976	187,392	354,404	922,977	3,074,187
RED EARTH	246,100	466,900	246,100	466,900	5,505,000	11,348,000
POUCE COUPE	144,900	189,000	94,900	130,000	1,806,000	2,697,000
SILVERDALE	9,900	9,900	9,900	9,900	\$159,000	\$159,000
Total	1,033,575	2,347,008	955,275	2,221,106	\$11,297,541	\$25,890,817

Property Overview



Pouce Coupe

- 1.25 section (52% WI)
- ~40 boepd (20 boed NET)
- Potential for infill drilling

Red Earth Creek

- 2.25 section (100% WI)
- ~50 boepd
- EOR recently implemented

Hearts Hill

- 9 sections (35% WI)
- ~260 boepd (91 boepd NET)
- Potential EOR
- Reactivation and recompletion candidates

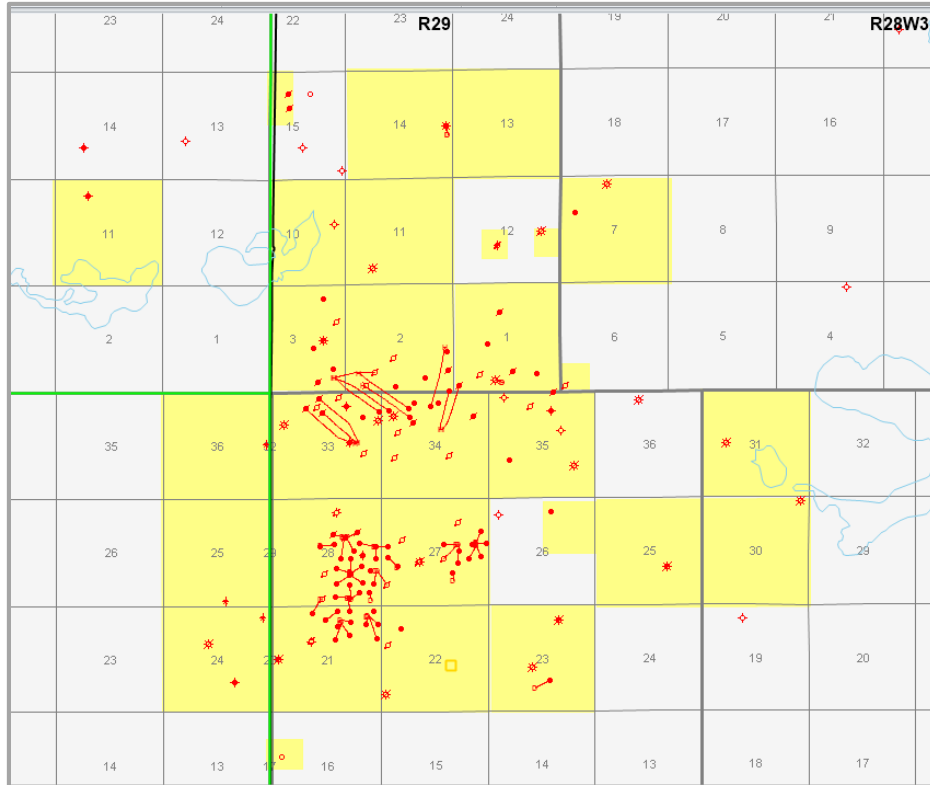
Luseland

- 21 sections (35% WI)
- ~175 boepd (61 boepd NET)
- Re-activation candidates

Cuthbert

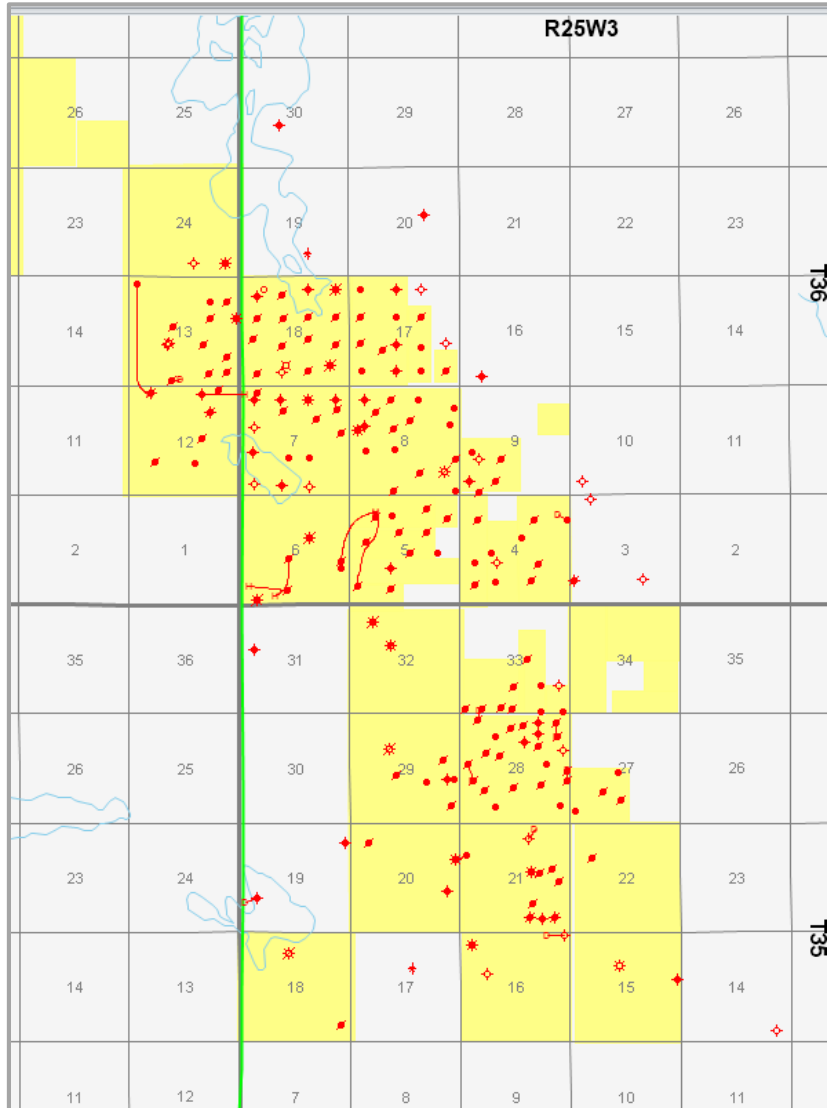
- 22 sections (35% WI)
- ~300 boepd (105 boepd NET)
- Potential for EOR

Cuthbert



- 22 sections Prospera operated (35% WI)
- 300 boepd (105 boepd net) stable decline production
 - Cum >4 MMbbl
 - OOIP 73 MMbbls*
- Strong Cashflow generator
 - \$2.75MM net operating income in 2017
- Upside potential
 - 20+ Reactivation candidates
 - Bypass pay
 - Power generation utilizing produced gas
- Pool is currently under waterflood
 - Possible chemical enhanced flooding potential
- <6% current recovery

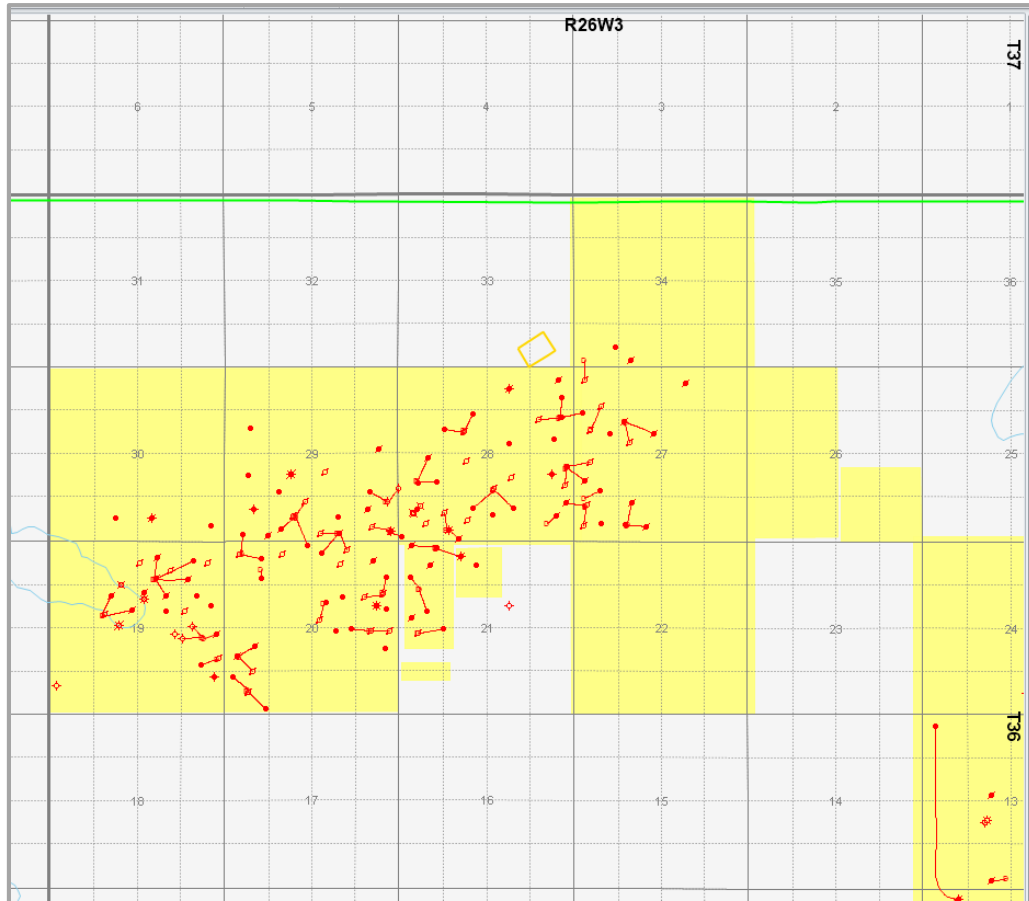
Luseland



*Management Estimates

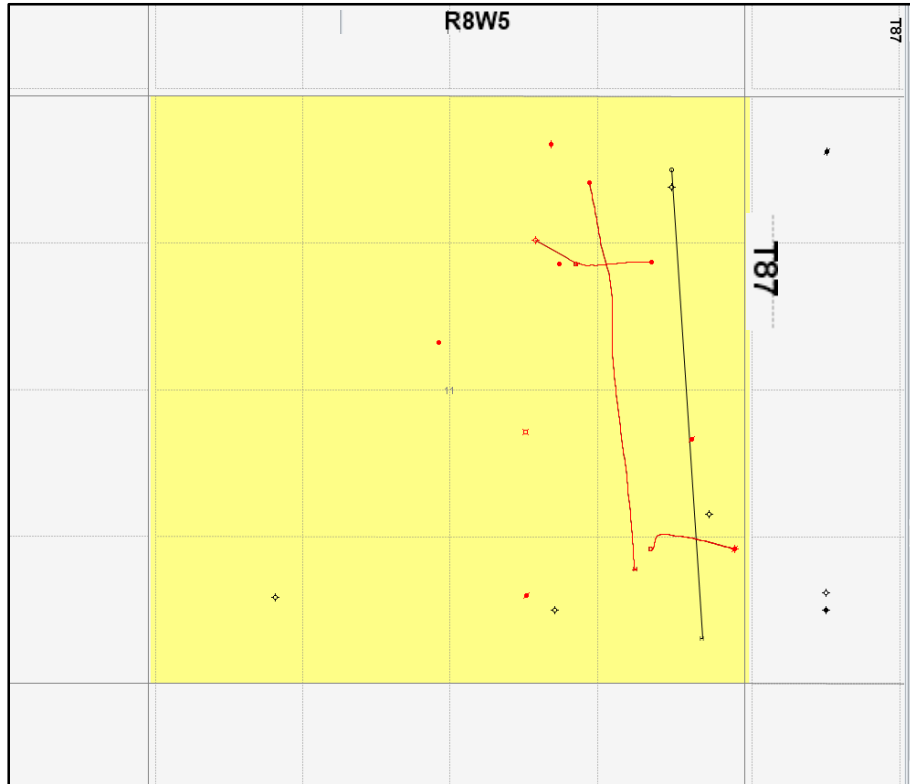
- 21 sections Prospera operated
- 175 bopd (60bopd net) Bakken production
 - Cum >24MMbbl
 - OOIP 361MMbbbls *
 - Ongoing operating cost reduction initiatives
 - Significant opportunity to reduce operating costs through capital expenditures, and general cost reduction
- Significant reactivation upside
 - ~100 reactivation candidates
- Strong potential for enhanced oil recovery.
 - water or polymer flood
- Low recovery factor in this area.
 - <7% current recovery
- *management estimates

Hearts Hill



- 9 sections Prospera operated
- 260 beopd (90 bopd net)
Bakken oil production
- Stable decline
 - Cum >3.5 MMbbl
 - OOIP 42 MMbbls*
- Pool is currently under waterflood
 - Because of compartmentalization, reorientation of water flood needed to improve response
 - Possible polymer addition
- Infrastructure interconnected with Luseland
- 20+ recompletion candidates
- Low recovery factor in this area.
 - 8.6% current recovery

Red Earth



- ~50 bopd Prospera operated 100%WI
- 2 sections with 6 current producers and 1 injector
 - 5 from Granite Wash, 1 from Slave Point horizontal
- Recent installation of a battery and water flood significantly reduces operating costs
 - Striving for <\$20 lifting costs, which will continue to improve as production increases.
- Water flood commenced May 2018
 - Production increases expected within 12months
- LLR Alberta = 1.79

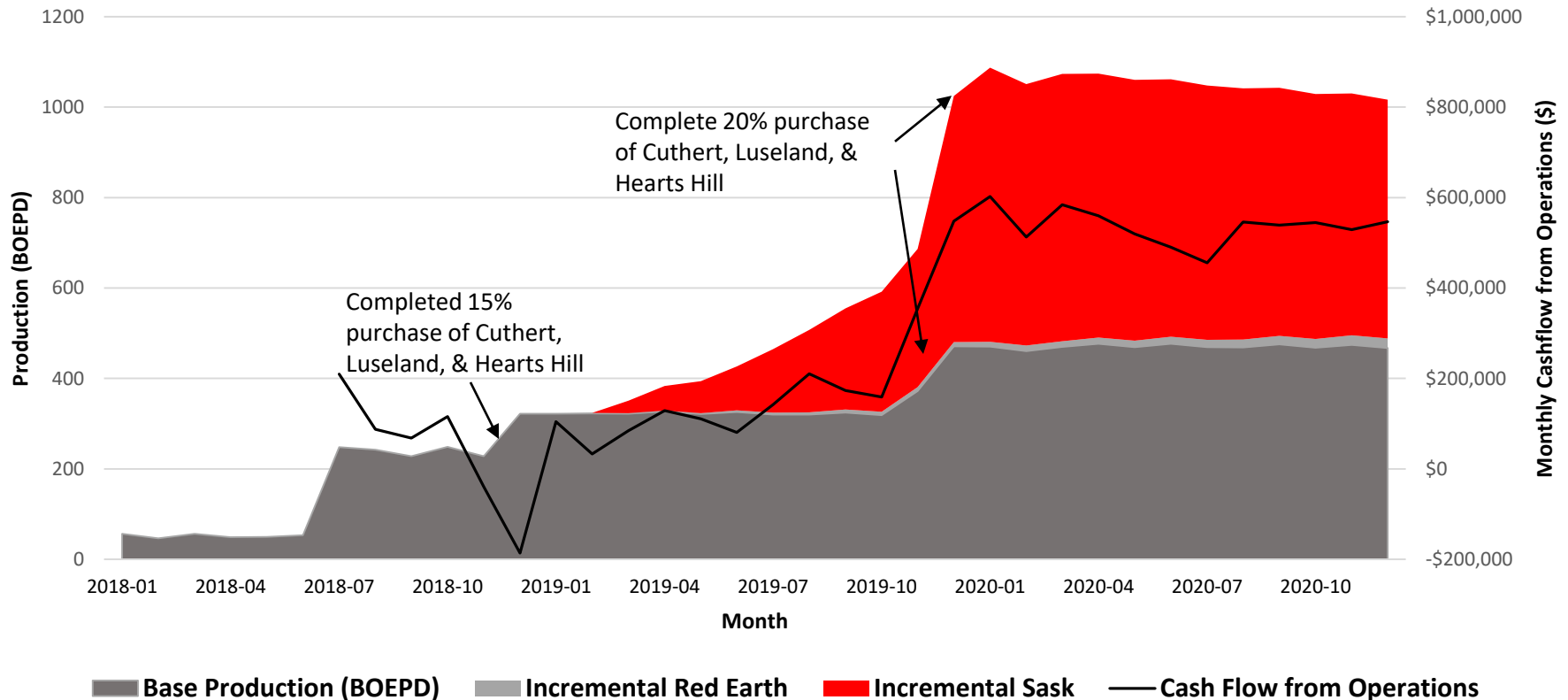
Upside Potential

- Focus to end of 2019 is to increase cash flow from existing properties
 - Cost saving strategies, with potential capital programs.
 - Developing and implementing reactivation program (Luseland)
 - Exploitation of Sparky potential (Hearts Hill)
- Balance Sheet Cleanup.
 - Divestment of non-core Silverdale, Saskatchewan property
 - Potential for divestment of Pouce Coupe, Alberta
- Remaining operational activity, post acquisition, will focus on operational optimization and low cost production growth through low risk workovers
 - The properties acquired were not core to the seller, leaving low risk opportunities to grow production.
 - Operational efficiencies were identified and implemented immediately after closing to decrease lifting costs
- Future growth opportunities in the Saskatchewan based properties include infill (PUD's) drilling, and secondary recovery (EOR)
- Participate in program with Saskatchewan Research Council (SRC) and other industry players, will expedite evaluation of EOR potential at very low cost
- Exercise option by end of 2019 to purchase additional 10% WI for \$1.25MM
- Exercise second option by April 2020 to purchase additional 10% WI for \$1.5MM
- The water flood facility in Red Earth is now complete, and will drop lifting costs significantly in 2019. Increased production is expected to be detected Q1 2019 from the flood

Impact of Capital Investment

- The impact of investing ~\$5.7MM on workovers (\$2.0MM net) as well as increased production in Red Earth from water flood, is estimated to increase production from 325 bopd NET to over 675 bopd NET. Executing the 20% WI option in December 2019 for \$2.75MM will take production to >1000 bopd NET. Results of investment have already been observed in multiple wells.

Prospera Production + Cashflow by Month



PROSPERA

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