Prospera Reports Record Revenue and Significant Increase in Operating Netback in Q2 2026

August 03, 2026 9:18 AM EDT | Source: Prospera Energy Inc.

Calgary, Alberta--(Newsfile Corp. - August 3, 2026) - Prospera Energy Inc. (TSXV: PEI) (OTC Pink: GXRFF) ("**Prospera**", "**PEI**", the "**Corporation**", or the "**Company**")

Prospera is pleased to report the strongest quarter in its recent history. Sales revenue reached $6.2 million ($91.17/boe), the highest quarterly revenue in five years, while operating netback rose to $2.0 million or $29.65/boe, the best in 24 months. These results were delivered through spring break-up, historically the highest-risk operating window for Western Canadian heavy oil producers, on disciplined capital spending of only $0.6 million.

Momentum built every month: monthly operating income in June 2026 was approximately four times January 2026 levels, driven by rising production from reactivated wells, stronger realized pricing, and a cost structure held flat which is the clearest evidence yet that each incremental barrel Prospera brings online converts directly into cash flow. Q2 proved the margin engine; the Offering is built to turn on the volume engine.

Q2 2026 Financial & Operating Summary

($ except where noted)	**Q2 2026**	**Q1 2026**	**Q2 2025**	**vs Q1/26**	**vs Q2/25**
Average net sales volumes (boe/d)	745	720	780	+3%	(4)%
Sales revenue	**6,184,396**	4,522,137	4,902,540	+37%	+26%
Sales revenue ($/boe)	91.17	69.75	69.03	+31%	+32%
Field operating costs ($/boe) (1)	47.45	49.90	36.86	(5)%	+29%
Operating netback (1)	**2,011,303**	713,053	1,613,923	+182%	+24%
Operating netback ($/boe) (1)	29.65	10.99	22.73	+170%	+30%

(1) Non-GAAP financial measure or ratio - see "Reader Advisories" below.

For the six months ended June 30, 2026, the Corporation generated sales revenue of $10.7 million and an operating netback of $2.7 million.

Q2 2026 Highlights

- **Record revenue:** $6.2 million ($91.17/boe), the highest quarterly sales revenue in five years, up 37% quarter over quarter on a 31% increase in realized prices and a 3% increase in volumes.
- **Margin engine proven:** Operating netback of $2.0 million or $29.65/boe, nearly tripling Q1 2026, with monthly operating income in June approximately four times January levels, driven by higher reactivated-well production, stronger pricing and flat operating costs.
- **Cost structure held flat:** Total operating costs of $3.22 million were unchanged from Q1 2026 despite higher volumes; field operating costs per boe fell 5% quarter over quarter.
- **Excellent break-up execution:** Increasing field uptime and zero pipeline failures, compared with five pipeline failures in Q2 2025.
- **Reactivations compounding:** The 16 wells reactivated in 2025 averaged 133 bbl/d in H1 2026, up 64% from their 2025 average, and reached 141 bbl/d in June, driving capital efficiency to approximately $13,300 per flowing barrel per day, a fraction of typical new-drill costs, with no service rig intervention required. Significant optimization potential remains as the wells continue to clean-up through sand influx phases and wormhole propagation.
- **Balance sheet strengthening:** Trade and other payables cut by $1.8 million (10%) since year-end to $16.3 million, including $170,476 settled in shares during the quarter and a $71,121 gain on debt settlements.

Per-barrel profitability is re-established, the cost base is flat, the candidate inventory is deep, and prices are elevated with upside retained. The Offering exists to convert that combination into volume.

Management Commentary

"This is the quarter the turnaround stopped being a promise and became a run-rate," said Shubham Garg, Executive Chairman and CEO. "We posted our best netbacks in two years and generation more than $2,000,000 operating income through spring break-up, the window that breaks heavy oil producers, while enhancing field operating procedures. This upward trajectory was built well-by-well, with the same team and the same playbook we are about to point at more than 140 remaining reactivation candidates. The strategy and engine are proven and every incremental barrel we add lands on a cost structure we have already shown we can hold flat."

"The quarter's progress was as much financial as operational," added Chris Ludtke, Chief Financial Officer. "Payables are down 10% since year-end, legacy obligations continue to be retired through a combination of negotiated settlements and shares-for-debt conversions, and funds flow has turned decisively positive. Each dollar of the Offering goes further on the balance sheet we have today than it would have a year ago."

Operations: The Reactivation Template at Scale

Luseland field production remains at an eight-year high with several high-impact wells continuing to rise in production while numerous wells continue through their sand clean-up phase. The 2025 reactivation program continues to outperform: wells brought online under the program have grown production while remaining on-stream without service rig intervention or flush-by activity, as the Corporation's sand management program including sand suspension chemistries, recycle pumping configurations, and refined operating practices kept reactivated wells producing through the quarter. More than 140 reactivation candidates remain in inventory, providing a multi-year, low-risk growth runway across the Corporation's 379 million barrels of original oil in place.

Extension of $12.0 Million Unit Offering to August 31, 2026

On June 29, 2026, the Corporation announced a private placement of up to 300,000,000 units at $0.04 per unit for aggregate gross proceeds of up to $12.0 million. Each unit comprises one common share and one common share purchase warrant, with each warrant exercisable at $0.06 per share for two years from closing; exercise in full of the warrants would provide up to an additional $18.0 million of proceeds.

The expected closing of the Offering has been extended from July 31, 2026 to August 31, 2026 to accommodate continued strong investor engagement and completion of subscription documentation. Net proceeds are intended to fund the Luseland well reactivation program, the Luseland well optimization program, and the Cuthbert workover program - deploying capital into existing wells, with no new drilling required. The Offering remains subject to TSX Venture Exchange approval. All securities issued under the Offering will be subject to a statutory hold period of four months and one day from issuance in accordance with applicable securities laws.

Positioned for H2 2026: Elevated Prices, Full Upside Retained, Program Ready to Deploy

Q2 2026 pricing was materially affected by the global oil supply disruption that emerged in late February 2026, including the curtailment of shipping through the Strait of Hormuz. Western Canada Select averaged Cdn$107.97 per barrel in the quarter, up from Cdn$79.20 in Q1 2026, and the Corporation's realized revenue rose to $91.17 per boe from $69.75. Subsequent to quarter end, WTI futures for the balance of 2026 have traded at approximately US$80 per barrel - well above the US$63.71 Q2 2025 average.

Prospera enters the second half of 2026 with three advantages working in concert. First, as an operator with 100% working interests across its core areas, the Corporation captures the full cash flow benefit of sustained higher prices with hedge protection on a WCS differential swap on 300 bbl/d at WTI less US$12.40 through September 30, 2026. Second, the reactivation template is proven and the candidate inventory of more than 140 wells is identified, ranked and ready for capital. Third, the cost structure has been demonstrated to hold flat as volumes grow. If recent price levels hold and the WCS differential remains consistent with recent quarters, the

Corporation would expect operating netbacks to remain and grow meaningfully above the Q2 average of $29.65/boe, providing additional capacity to advance the Luseland program and continue retiring legacy liabilities. Readers are cautioned that commodity prices are inherently volatile, the duration and resolution of the underlying geopolitical situation remains uncertain, and no assurance can be provided as to future realized prices.

Board of Directors Update

Prospera announces that Mr. Christopher Moore has resigned from the Company's Board of Directors for medical reasons, effective immediately. Mr. Moore will continue to support Prospera in an advisory capacity, ensuring continuity of his strategic insight, decision making and valuable business experience as the Company executes its growth plan. The Company has commenced a process to identify a qualified candidate and anticipates that the vacant Board position will be filled on or before August 31, 2026. Prospera is deeply thankful for Mr. Moore's service and leadership as a board member.

Capital Markets Update - ArcStone Canada Inc.

Prospera announces its formal engagement with ArcStone Canada Inc. ("ArcStone"), a capital markets advisory firm for the purposes of comprehensive advisory services, including capital markets planning, investor engagement, and strategic positioning across North American markets.

The ArcStone Group of Companies is a cross-border capital markets platform operating across New York, Toronto, Miami, Vancouver and other key markets. ArcStone Securities and Investments Corp. is the parent entity and is not itself a registered broker-dealer. The group includes ArcStone Partners Global LLC, ArcStone Securities LLC, a FINRA-registered broker-dealer, ArcStone Canada Inc., ArcStone Financial Pulse, the group's digital capital markets and investor visibility platform, ArcStone Branding Inc., an investor relations and corporate communications advisory firm, ArcStone Ventures Inc., a venture-stage advisory firm, and ArcStone Kingswood, a branded branch office of Kingswood Capital Partners, LLC. The firm focuses on companies in the $25 million to $400 million market capitalization range across metals and mining, energy, biotechnology and technology.

Investor Webinar

Management will host a live investor webinar to review Q2 2026 results and the Offering on August 4th, 2026 at 11:00 a.m. MT. Investors can register to attend via **Zoom here**. During the call, management will provide updates on operational progress, production optimization initiatives, and near-term strategic priorities. Investors may also view the Company's June 2026 corporate update **on YouTube here** and the **July 2026 Key Wells Report here**. A replay will be posted following the event.

Financial Statements and MD&A

The Corporation's unaudited condensed interim financial statements and management's discussion and analysis for the three and six months ended June 30, 2026 are available under Prospera's profile on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.prosperaenergy.com.

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.

For Further Information:

Shawn Mehler, PR
Email: shawn@prosperaenergy.com

Chris Ludtke, CFO
Email: cludtke@prosperaenergy.com

Shubham Garg, Chairman of the Board
Email: sgarg@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 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.

Source: Prospera Energy Inc.