Prospera Announces Commencement of Service Rig Operations

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Calgary, Alberta--(Newsfile Corp. - August 5, 2026) - Prospera Energy Inc. (TSXV: PEI) (OTC Pink: GXRFF) ("**Prospera**", "**PEI**", the "**Corporation**", or the "**Company**")

Prospera is pleased to announce the commencement of service rig operations across its core Saskatchewan heavy oil properties. The rig marks the launch of the Company's second half 2026 workover and reactivation campaign, a program designed to convert Prospera's deep inventory of workover and reactivation candidates into near-term, capital-efficient production growth.

Program Overview

The service rig has been mobilized to Luseland and is now executing the first phase of the campaign. This initial program consists of well reactivations with demonstrated historical productivity and significant remaining recoverable reserves, backstopped by success of the 2024/2025 reactivation program as detailed in our Key Wells Report and as seen by the following graph:

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/12143/308093_418f8d4bc4d858f7_001full.jpg

This 2024/2025 reactivation program consisted of 17 wells for a total capital expenditure of $1.64MM and which has generated total net operating income of $1.70MM as of June 30, 2026 with several wells continuing to rise in production and cash flows. 5 wells on this program have achieved more than 2X payout demonstrating the robust economics and cash flow generation potential of this prolific asset which is ready to scale.

Capital-Efficient Growth

Reactivations remain the most capital-efficient barrels available to Prospera. The Company's existing wellbores, field infrastructure, and now consolidated 100% working interest position across its Saskatchewan core heavy oil properties allow production to be brought online at a small fraction of the cost of drilling. Prior phases of the reactivation strategy have already proven the model, with wells shut in for more than 20 years successfully returned to production and now contributing meaningfully to corporate volumes.

This campaign builds directly toward the Company's 2026 growth plan and positions Prospera to exit the year at a materially higher production rate. Incremental barrels benefit from a low variable operating cost structure, supportive heavy oil pricing environment and the Company's WCS differential hedge all flowing through to funds from operations and reinforcing Prospera's ongoing balance sheet strengthening initiatives.

Board Update

Further to the news release issued August 3rd, 2026, Prospera Energy Inc. clarifies that Mr. Christopher Moore's resignation from the Board of Directors, effective July 8th, 2026, was complete and final due to medical and personal reasons. Mr. Moore does not hold an advisory role, nor does he participate in corporate decision-making or operations for the Company.

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.

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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.

Source: Prospera Energy Inc.