Prospera Energy Announces Two-Year Extension of Senior Term Loan and Repricing of Equity Financing

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Calgary, Alberta--(Newsfile Corp. - August 29, 2026) - Prospera Energy (TSXV: PEI) (OTC Pink: GXRFF) ("**Prospera**", "**PEI**", the "**Corporation**", or the "**Company**") is pleased to announce that it has entered into an amendment to its senior term loan, extending the maturity date by two years, from August 31st, 2026 to August 31st, 2028. The facility, with a total principal amount of $20,739,465, retains all of its original terms, including its 12% annual interest rate and monthly interest payments. The amendment remains subject to acceptance by the TSX Venture Exchange.

The extension terms out the Corporation's near-term balance sheet obligation and converts a refinancing requirement into a two-year operating runway. With the facility now termed out to 2028, Prospera continues to proceed strongly with advanced discussions on its equity financing of up to C$12 million while directing management focus and capital toward growing production, cash flow, and reserves. Additionally, this positions incoming equity dollars to translate directly into capital spend and not into debt principal repayments or amortization. Every dollar raised can be deployed directly into the Luseland reactivation and optimization program while heavy oil pricing sits at multi-year highs.

Constructive Commodity Backdrop for Canadian Heavy Oil

The amendment is completed against one of the most supportive commodity price environments Canadian heavy oil producers have seen in more than a decade. Global benchmarks have re-rated materially higher over the past year, with West Texas Intermediate recently trading above USD $80/bbl and significantly above last year's levels. Continued geopolitical disruption across the Middle East and in Russia, constrained flows through the Strait of Hormuz and Bab-el-Mandeb strait, commercial inventories below five-year averages and SPR inventories draining globally, and healthy global demand are supporting both near-term and longer-term pricing for physical barrels.

Specifically relating to heavy oil, Western Canadian Select differentials to WTI have structurally tightened since the Trans Mountain Expansion entered service, recently trading in the range of US$12 to US$15 per barrel at Hardisty compared with the US$18 to US$25+ discounts that characterized the pre-2024 period. Combined with a Canadian dollar near US$0.72, this translates into current WCS benchmark pricing in the range of C$95 to C$100+ per barrel.

For a reactivation-focused producer, this backdrop carries asymmetric leverage. Reactivation capital is largely fixed at ~$150,000 per vertical wellbore, while revenue scales directly with the commodity strip resulting in faster payouts, increasing netbacks, and accelerating the rate at which the program compounds.

Extension Clears the Path to the C$12 Million Equity Financing

The two-year term-out is the structural step that positions the Corporation to complete its equity financing of up to C$12 million. Prior to the amendment and extension, the senior facility matured within weeks, meaning new equity would effectively have been underwriting a near-term refinancing. With the maturity now aligned to the Corporation's 2027-2028 development horizon, equity proceeds are intended to directly fund low-risk reactivation capital deployed into one of the strongest Canadian heavy oil price environments in more than a decade.

What a Two-Year Runway Means for Prospera

- Complete the C$12 million equity financing from a position of strength. Removing the near-term maturity eliminates the refinancing overhang that typically weighs on new-issue pricing for junior producers. Equity discussions now proceed on the merits of the reactivation program, current and forecasted heavy oil pricing, and the Corporation's growth trajectory. This supports both the completion of the financing and the direction of proceeds to production growth rather than debt retirement.

- **Optimize the current Luseland wells in operation.** The wells returned to production to date remain early in their productive life with strong production profiles, several wells having achieved 2X payout, and retaining optimization upside. Given the unconsolidated nature of our reservoir and large quantities of sand production, patience is key to delivering reliable barrels without the wells sanding-in.
- **Systematically advance the remaining reactivation inventory.** Prospera has internally identified 140 additional reactivation candidates across its Saskatchewan heavy oil asset base. These are wellbores that require workovers along with SWB (Single-Well-Battery) build-outs while carrying no exploration risk, require no land acquisition, and have no drilling risk.
- **Fund growth through the reactivation staircase.** Cash flow generated by each tranche of reactivated wells is reinvested into the next, allowing production to compound once the company reaches critical mass. A multi-year runway of projects in inventory supports this staircase, further strengthened by the base Luseland production continuing to rise through optimization activities.

- **Convert operational progress into reserves and balance sheet strength.** Sustained production additions from a growing well count support reserves recognition including conversion of extensive PDNP reserves into PDP reserves and conversion of NRA wells into PDNP and PDP wells, which in turn strengthens the Corporation's asset base, its borrowing capacity, and its positioning in the capital markets.

Shubham Garg, Chairman of the Board of Prospera Energy Inc. shares, "We are moving into the strongest heavy oil price environment we have seen in years, and we are sitting on 140 reactivation candidates to be brought online, supported by the success of 17 reactivation projects already performed in the Luseland field. We needed time to optimize the wells we have brought back at Luseland, prove the strategy and cash flow metrics on these completed projects, and time to work strategically through the rest of that inventory. This amendment gives us that time, and it does so at exactly the point in the structural oil cycle where those barrels are worth the most."

Repricing and Extension of $12.0 Million Unit Offering

The Corporation is repricing its non-brokered equity offering (the "**Offering**") of units of the Corporation ("**Units**") previously announced on June 29, 2026, to up to 400,000,000 units at $0.03 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 $0.05 per share for two years from closing; exercise in full of the warrants would provide up to an additional $20.0 million of proceeds.

The expected closing of the Offering has been extended from August 31, 2026 to September 30, 2026 to provide additional time to complete the Offering. Net proceeds are intended to fund the Luseland well reactivation program, the Luseland well optimization program, and the Cuthbert workover program.

The securities will be offered to qualified purchasers in reliance upon exemptions from prospectus and registration requirements of applicable securities legislation. The private placement is offered in jurisdictions where the Corporation is legally allowed to do so. All securities issued under the Offering will be subject to a statutory hold period of four months and one day from the date of closing in accordance with applicable Canadian securities laws. The Offering remains subject to the approval of the TSX Venture Exchange.

Issuer:	Prospera Energy Inc. ("Prospera", "PEI", or the "Corporation");
Offering:	Non-brokered offering (the "Offering") of units ("Units"). Each Unit will consist of (i) one common share of the Company and (ii) one common share purchase warrant (the "Warrant"). Each Warrant shall entitle the holder to acquire one additional common share of the Company at an exercise price of $0.05 for a period of two years from the date of issuance thereof. The Warrants shall be transferable and shall not be listed on any stock exchange;

Offering Amount:	Up to $12,000,000 CAD (the "Offering").
Issue Price:	$0.03 per Unit.
Use of Proceeds:	The net proceeds from the Offering will be used towards (i) The Luseland Well Reactivation Program, focused on bringing previously shut-in heavy-oil wells back on production; (ii) The Luseland Well Optimization Program, focused on installing additional recycle pumps and performing pump-upsize projects, including sand cleanouts, on currently active wells; and (iii) The Cuthbert Workover Program, consisting of targeted workovers and optimization activities on shut-in wells to restore and improve production;
Eligibility:	The Units are eligible for TFSA, RRSP, RESP, RRIF, RDSP, FHSA and DPSP Accounts for qualified Investors;
Hold Period:	The Units issued will be subject to a hold period of four months and one day from the date of issuance;
Finder's Fee:	The Company may pay qualified finders a fee of (i) 7% of the aggregate cash proceeds received from the sale of the Offered Securities and a number of warrants equal to 7% of the aggregate number of Units issued under the Offering. Each warrant will entitle the holder to acquire one common share of the Issuer at any time for a period of two (2) years from the date of issuance at a price of $0.05;
Anti-Dilution:	The Warrant exercise price will also be subject to standard anti-dilution adjustments upon, inter alia, share consolidations, share splits, spin-off events, rights issues and reorganizations;
Underlying Shares:	Common shares of the Company listed on the TSX Venture Exchange under the symbol PEI (the "Common Shares").
Offering Basis:	Non-brokered private placement offering.
Target Close Date:	On or before September 30, 2026.

Prospera is allocating all operational cash flow and equity proceeds towards adding capital-efficient barrels as it unlocks its deep inventory of low-risk reactivation opportunities in Saskatchewan. Through these projects across its heavy oil base and especially in Luseland, the Company expects to be a materially larger producer with numerous additional reactivated wells online, thus driving shareholder value and corporate growth. Completion of the C$12 million equity financing alongside the extended senior facility would allow the program to be fully funded through the current commodity price environment.

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 CSA Staff Notice 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

ADVISORY REGARDING REACTIVATION INVENTORY

References in this news release to reactivation candidates or reactivation inventory, including the approximately 140 additional candidates identified across the Corporation's Saskatchewan heavy oil asset base, reflect management's internal technical evaluation of existing wellbores and are not, and should not be construed as, reserves or resources as those terms are defined under National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. There is no assurance that any particular candidate will be reactivated, that reactivation will be economic, or that any specific production, cost, or payout outcome will be achieved. Commodity price and differential references are benchmark market data as of the date of this news release, are not representations of the Corporation's realized pricing, and are subject to change without notice.

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. Forward-looking statements in this news release include, without limitation, statements regarding the Corporation's equity financing of up to C$12 million, the anticipated size, timing, terms, and use of proceeds thereof, and the expected benefits of the senior loan extension, as well as statements regarding the Corporation's reactivation, optimization and workover programs, anticipated production growth, and the sufficiency of funding for its capital programs. Completion of the equity financing is subject to, among other things, market conditions, negotiation and execution of definitive documentation, and receipt of all necessary approvals, including acceptance by the TSX Venture Exchange, and there is no assurance that the financing will be completed on the terms currently contemplated or at all.*

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.