

FORM 51-101 F1  
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION  
OF  
PROSPERA ENERGY INC.

Statements in this document may contain forward-looking information. Estimates provided for 2024 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted because of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Corporation. The reader is cautioned not to place undue reliance on this forward-looking information.

#### Part 1 - Relevant Dates

##### Item 1.1 Date of Statement and Statement Information

This Statement of Reserves Data and Other Oil and Gas Information (the “Statement”) is dated November 27, 2024. The effective date of the information provided in the Statement is December 31, 2023, unless otherwise indicated. The information was prepared in 2024.

#### Part 2 - Disclosure of Reserves Data

InSite Petroleum Consultants. (“InSite”) prepared a report dated March 5, 2024 (the “InSite Report”), in which it has evaluated, as of December 31, 2023, the oil and gas reserves attributable to the principal properties of Prospera Energy Inc. (“Prospera” or the “Corporation”).

The InSite Report also presents the estimated net present value of future net revenue of Prospera’s properties before and after taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The extent and nature of all information supplied by Prospera and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, gas sales contract information, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by InSite in preparing the InSite Report and were accepted as represented without independent verification. In the absence of such information, InSite relied, with the approval of Prospera, upon its opinion of reasonable practice in the industry. All information provided to InSite was as of December 31, 2023, and, accordingly, certain of such information may not be representative of current conditions.

All of the Corporation’s reserves are in the Provinces of Alberta and Saskatchewan, Canada. Additional definitions of the various categories of reserves and expenditures are as set out in National Instrument (NI) 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”) and defined specifically in the Canadian Oil and Gas Evaluation Handbook (COGEH). Reserves Summary by Pool in the InSite Report details the reserves and recovery factors assigned to original oil-in-place for all properties.

BOEs or ‘McfGE’ or other applicable units of equivalency may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl (or an McfGE conversion ratio of 1 bbl: 6 Mcf) is based on an energy

equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the escalating price and cost assumptions contained in the InSite Report will be attained and variances could be material. The reserve and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those estimated.

All dollar values are in Canadian currency. The InSite Report provides property and entity details including:

- Summaries of remaining and equivalent reserves by company, property, pool, and entity
- Summaries of net revenue NPV and before tax cash flow NPV by company, property, and entity
- Property maps, formations, company interest, reserves categories and economic indicators
- Risked capital costs, operating costs, abandonment costs, forecast prices and production declines

## **REMAINING RESERVES**

Remaining reserves of oil and gas have been determined as of December 31, 2023. A summary of property gross and total company reserves follows:

Prospera Energy Inc. Summary of Reserves as of December 31, 2023		
	Proved Developed Producing	Total Proved Plus Probable
<b>Oil – Mbbl</b>		
Property Gross	1,748	7,311
Company WI	1,276	5,267
Company Net	1,194	4,898
<b>Gas – MMcf</b>		
Property Gross	145	987
Company WI	120	819
Company Net	84	706
<b>BOEs – MBOE</b>		
Property Gross	1,772	7,476
Company WI	1,296	5,403
Company Net	1,208	5,015

## **ECONOMIC RESULTS**

Summarized as follows is the NPV of the Corporation's future net revenue attributable to the reserves categories previously tabulated, estimated using forecast prices and costs, before deducting future income tax expenses, and 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.				
NPV of future net revenue as of December 31, 2023				
NPV before income taxes (M\$C)				
		Proved Developed Producing	Total Proved	Proved Plus Probable
Undiscounted	0%	30,905	131,261	209,549
Discounted	5%	29,857	108,092	164,900
	10%	27,051	89,920	133,312
	15%	24,407	76,147	110,652
	20%	22,196	65,581	93,893

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 2024.

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 Company.

## **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 Company, 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 Company. The year-end tax pool, as provided by the Company, is summarized below:

- Canadian Oil and Gas Property Expense (COGPE) \$11,902,793
- Canadian Development Expense (CDE) \$19,743,881
- Capital Cost Allowance (CCA Class 8,10,13,41,45) \$2,274
- Non-Capital Losses (100%) \$8,846,004

## **Reserves Data - Forecast Prices and Costs**

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, 2023 Forecast Prices and Costs								
Reserves Category	Light and Medium Oil (Mbbl)		Heavy Oil (Mbbl)		Solution Gas (MMcf)		Gas (MMcf)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	232	200	1,044	994	50	19	70	65
Proved Developed Non-Producing	23	20	305	301	25	19	58	54
Proved Undeveloped	99	80	1,934	1,855	32	32	-	-
<b>Total Proved</b>	<b>354</b>	<b>300</b>	<b>3,283</b>	<b>3,149</b>	<b>106</b>	<b>69</b>	<b>128</b>	<b>119</b>
<b>Total Probable</b>	<b>266</b>	<b>218</b>	<b>1,364</b>	<b>1,231</b>	<b>30</b>	<b>20</b>	<b>555</b>	<b>498</b>
<b>Total Proved + Probable</b>	<b>620</b>	<b>518</b>	<b>4,647</b>	<b>4,380</b>	<b>136</b>	<b>89</b>	<b>683</b>	<b>617</b>

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.

## NI 51-101 Table 2.1.2

The following table discloses, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, 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%.

Prospera Energy Inc. Summary of Net Present Values of Future Net Revenue as of December 31, 2023 Forecast Prices and Costs											
Reserves Category	Before Income Tax (MM\$)					After Income Tax (MM\$)					Before Tax Net value (\$/BOE) (%/year)
	Discounted at (%/year)					Discounted at (%/year)					
	0	5	10	15	20	0	5	10	15	20	10
Proved Developed Producing	30.9	29.9	27.1	24.4	22.2	28.8	28.0	25.4	22.9	20.8	5
Proved Developed Non-Producing	10.9	9.6	8.5	7.5	6.7	7.7	6.9	6.1	5.4	4.8	19.1
Proved Undeveloped	89.5	68.6	54.4	44.2	36.7	66.3	50.1	39.1	31.3	25.6	20.6
Total Proved	131.3	108.1	89.9	76.1	65.6	102.8	85	70.6	59.6	51.2	16.1
Total Probable	78.3	56.8	43.4	34.5	28.3	57.7	41.7	31.7	25.0	20.4	19.1
Total Proved + Probable	209.5	164.9	144.7	110.7	93.9	160.5	126.7	102.3	84.7	71.6	16.8

Net Present Value of Future Net Revenue includes all resource income: Sale of oil, gas, by-product reserves, processing income and other income Unit Values are based on net reserve volumes Barrel of Oil Equivalent (BOE): 6 Mcf = 1 BOE

## NI 51-101 Table 2.1.3.a.b

This table discloses, in the aggregate, certain elements of the Corporation's future net revenue attributable to its total proved and total proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

Prospera Energy Inc. Total Future Net Revenue (Undiscounted) as of December 31, 2023 Forecast Prices and Costs								
Reserve Category	Revenue (MM\$)	Royalties (MM\$)	Operating Costs (MM\$)	Capital Costs (MM\$)	Abandonment & Reclamation Costs (MM\$)	Future Net Revenue Before Income Taxes (MM\$)	Income Taxes (MM\$)	Future Net Revenue After Income Taxes (MM\$)
Total Proved	278.5	19.2	76.3	27.3	24.5	131.2	28.5	102.7
Total Proved + Probable	414.2	35.8	107.4	35.5	25.9	209.6	49.1	160.5

NI 51-101 Table 2.1.3.c

This table discloses, by production group, the Corporation's future net revenue attributable to its proved reserves and proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs.

Prospera Energy Inc.			
Future Net Revenue By Production Group as of December 31, 2023			
Forecast Prices and Costs			
Reserve Category	Production Group	Product Net Revenue (MM\$)	Unit Value (\$/unit)
Total Proved	Light and Medium Crude Oil (bbl)	25.3	84.3
	Heavy Crude Oil (bbl)	238.1	75.6
	Solution Gas (Mcf)	0.3	4.4
	Sales Gas (Mcf)	0.4	3.6
Total Proved + Probable	Light and Medium Crude Oil (bbl)	44.2	85.5
	Heavy Crude Oil (bbl)	337.7	77.1
	Solution Gas (Mcf)	0.4	4.6
	Sales Gas (Mcf)	2.8	4.5

Part 3 – Pricing Assumptions

Item 3.2 Forecast Prices Used in Estimates

The InSite base product price forecast, effective January 1, 2023, 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 Company 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.

Prospera Energy Inc.  
Summary of Pricing and Inflation Rate Assumptions as of December 31, 2023  
Forecast Prices and Costs Assumption

YEAR	CDN/US			EDM		WESTERN						
	WTI @ CUSHING \$US/BBL	BRENT BLEND \$US/BBL	EXCHG RATE \$/BBL	WTI @ CUSHING \$/BBL	REF PRICE \$/BBL	HARDISTY 25 API \$/BBL	CANADA SELECT \$/BBL	HEAVY 12 API \$/BBL	CONDENSATE \$/BBL	BUTANE \$/BBL	PROPANE \$/BBL	ETHANE \$/BBL
2024	73.00	77.00	0.750	97.33	93.83	75.83	78.83	66.83	96.65	50.20	29.09	7.88
2025	75.00	79.00	0.750	100.00	95.50	78.50	80.50	69.50	98.84	51.09	31.52	11.73
2026	76.50	80.50	0.750	102.00	97.00	80.00	82.00	70.00	100.88	51.90	32.50	14.00
2027	78.03	82.11	0.750	104.04	98.94	81.94	83.94	71.94	102.90	52.93	33.14	14.28
2028	79.59	83.75	0.750	106.12	100.92	83.92	85.92	73.92	104.96	53.99	33.81	14.57
2029	81.18	85.43	0.750	108.24	102.94	85.94	87.94	75.94	107.05	55.07	34.48	14.86
2030	82.81	87.14	0.750	110.41	105.00	88.00	90.00	78.00	109.20	56.17	35.17	15.15
2031	84.46	88.88	0.750	112.62	107.10	90.10	92.10	80.10	111.38	57.30	35.88	15.46
2032	86.15	90.66	0.750	114.87	109.24	92.24	94.24	82.24	113.61	58.44	36.59	15.77
2033	87.87	92.47	0.750	117.17	111.42	94.42	96.42	84.42	115.88	59.61	37.33	16.08
2034	89.63	94.32	0.750	119.51	113.65	96.65	98.65	86.65	118.20	60.80	38.07	16.40
2035	91.42	96.20	0.750	121.90	115.92	98.92	100.92	88.92	120.56	62.02	38.83	16.73
2036	93.25	98.13	0.750	124.34	118.24	101.24	103.24	91.24	122.97	63.26	39.61	17.07
2037	95.12	100.09	0.750	126.82	120.61	103.61	105.61	93.61	125.43	64.52	40.40	17.41
2038	97.02	102.09	0.750	129.36	123.02	106.02	108.02	96.02	127.94	65.82	41.21	17.76
2039	98.96	104.14	0.750	131.95	125.48	108.48	110.48	98.48	130.50	67.13	42.04	18.11
2040	100.94	106.22	0.750	134.59	127.99	110.99	112.99	100.99	133.11	68.47	42.88	18.47
2041	102.96	108.34	0.750	137.28	130.55	113.55	115.55	103.55	135.77	69.84	43.73	18.84

Prospera Energy Inc.  
Summary of Pricing and Inflation Rate Assumptions as of December 31, 2023  
Forecast Prices and Costs Assumption

YEAR	HENRY HUB \$/MMBTU	AECO C C\$/MMBTU	AB 1 YR FIRM C\$/MMBTU	AB SPOT C\$/MMBTU	AGGRE -GATOR C\$/MMBTU	AB AGRP C\$/MMBTU	SK SPOT C\$/MMBTU	SUMAS SPOT C\$/MMBTU	BC STN 2 C\$/MMBTU	DAWN C\$/MMBTU	SULPHUR \$/LT
2024	2.75	2.25	2.05	2.05	1.90	2.25	2.45	3.30	2.05	3.67	60.00
2025	3.80	3.35	3.15	3.15	3.00	3.35	3.55	4.53	3.25	4.87	61.20
2026	4.05	4.00	3.79	3.79	3.64	4.00	4.19	5.20	3.90	5.20	62.42
2027	4.13	4.08	3.87	3.87	3.72	4.08	4.27	5.31	3.98	5.31	63.67
2028	4.21	4.16	3.95	3.95	3.80	4.16	4.35	5.41	4.06	5.42	64.95
2029	4.30	4.24	4.02	4.02	3.87	4.24	4.42	5.52	4.14	5.53	66.24
2030	4.38	4.33	4.10	4.10	3.95	4.33	4.50	5.64	4.23	5.65	67.57
2031	4.47	4.42	4.19	4.19	4.04	4.42	4.59	5.75	4.32	5.76	68.92
2032	4.56	4.50	4.27	4.27	4.12	4.50	4.67	5.87	4.40	5.88	70.30
2033	4.65	4.59	4.36	4.36	4.21	4.59	4.76	5.99	4.49	6.00	71.71
2034	4.75	4.69	4.44	4.44	4.29	4.69	4.84	6.11	4.59	6.13	73.14
2035	4.84	4.78	4.53	4.53	4.38	4.78	4.93	6.23	4.68	6.25	74.60
2036	4.94	4.88	4.62	4.62	4.47	4.88	5.02	6.36	4.78	6.38	76.09
2037	5.04	4.97	4.71	4.71	4.56	4.97	5.11	6.49	4.87	6.51	77.62
2038	5.14	5.07	4.81	4.81	4.66	5.07	5.21	6.62	4.97	6.65	79.17
2039	5.24	5.17	4.91	4.91	4.76	5.17	5.31	6.76	5.07	6.79	80.75
2040	5.34	5.28	5.00	5.00	4.85	5.28	5.40	6.89	5.18	6.93	82.37
2041	5.45	5.38	5.10	5.10	4.95	5.38	5.50	7.03	5.28	7.07	84.01

All prices escalated at 2% per year after 2041

All costs escalated at 2% per year after 2024

First year forecast is for 12 months

#### Part 4 – Reconciliation of Changes in Reserves

##### Item 4.1 Table R-1

Reserves reconciliation by reserves categories (gross proved reserves, gross probable reserves and gross proved plus probable reserves) was prepared according to the COGEH



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Reserves Reconciliation Summary (Company Gross) Effective December 31, 2023

Opening: InSite December 31, 2022 Prices - Forecast Prices + Costs															
Closing: InSite December 31, 2023 Prices - Forecast Prices + Costs															
Description	Proved					Probable					Proved Plus Probable				
	Light & Medium	Heavy	Assoc & Non-Assoc			Light & Medium	Heavy	Assoc & Non-Assoc			Light & Medium	Heavy	Assoc & Non-Assoc		
	Oil Mstb	Oil Mstb	Gas MMcf	NGL Mboe	BOE Mboe	Oil Mstb	Oil Mstb	Gas MMcf	NGL Mboe	BOE Mboe	Oil Mstb	Oil Mstb	Gas MMcf	NGL Mboe	BOE Mboe
<b>Opening Balance</b>	183.3	2,996.3	282.0	0.0	3,226.6	155.6	766.2	944.5	0.0	1,079.2	338.9	3,762.5	1,226.5	0.0	4,305.8
<b>Production</b>	-12.1	-163.8	-55.8	0.0	-185.2	0.0	0.0	0.0	0.0	0.0	-12.1	-163.8	-55.8	0.0	-185.2
<b>Technical Revision</b>	74.8	-123.3	-57.8	0.0	-58.1	57.5	39.0	-373.3	0.0	34.3	132.3	-84.3	-431.1	0.0	-23.9
<b>Acquisition</b>	13.0	0.0	0.0	0.0	13.0	3.0	0.0	0.0	0.0	3.0	16.0	0.0	0.0	0.0	16.0
<b>Disposition</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Extensions</b>	59.5	560.2	0.0	0.0	619.7	14.7	553.9	0.0	0.0	568.6	74.2	1,114.1	0.0	0.0	1,188.3
<b>Discoveries</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Improved Recovery</b>	0.0	12.8	70.4	0.0	24.5	0.0	3.3	24.5	0.0	7.4	0.0	16.1	94.9	0.0	31.9
<b>Economic Factors</b>	35.4	0.9	-4.9	0.0	35.5	35.0	1.8	-10.5	0.0	35.1	70.4	2.7	-15.4	0.0	70.5
<b>Closing Balance</b>	353.9	3,283.1	233.9	0.0	3,676.0	265.8	1,364.2	585.2	0.0	1,727.5	619.7	4,647.3	819.1	0.0	5,403.5

## Part 5 – Additional Information Relating to Reserves Data

### Item 5.1 Undeveloped Reserves

The following discussion generally describes the basis on which Prospera attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

Prospera Energy Inc. Undeveloped Reserve Vintage by Product Type as of December 31, 2023 Forecast Prices and Costs										
	Light and Medium Crude Oil		Heavy Crude Oil		Solution Gas		Gas		Total Equivalent	
	First		First		First		First		First	
	Attributed	Booked	Attributed	Booked	Attributed	Booked	Attributed	Booked	Attributed	Booked
	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)	(MMcf)	(MBOE)	(MBOE)
Proved Undeveloped										
Dec 31, 2021		0								0
Dec 31, 2022		19		1,768			53			1,796
Dec 31, 2023		99		1,934			32			2,038

#### Proved Undeveloped Reserves

Undeveloped reserves are attributed by InSite in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

#### Probable Undeveloped Reserves

Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

### Item 5.2 Significant Factors or Uncertainties

InSite conducted an independent engineering evaluation on Prospera's reserves as of December 31, 2023. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions, and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance.

Item 5.3 (1)

NI 51-101 Table 5.3 1. (a)

Prospera Energy Inc. Future Development Costs as of December 31, 2023 Forecast Prices and Costs		
	Total Proved Reserves (MM\$C)	Total Proved Plus Probable Reserves (MM\$C)
2024	26.4	28.1
2025	0.8	2.1
2026	0	5.3
Remaining	0	0
Total Undiscounted	27.3	35.5

Item 5.3 (2)

The Corporation expects that funds for future capital costs will be obtained from internally generated cash flow, farm-outs, and occasional equity financing.

Part 6 - Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

As of December 31, 2023, Prospera had one hundred and ten (110) gross producing wells and four hundred and thirty-eight (438) gross inactive wells. The following table shows information regarding the Corporation's wells at December 31, 2023.

Prospera Energy Inc. Wells at December 31, 2023				
	Producing		Non-Producing	
	Gross	Net	Gross	Net
AB	12	9	7	5
SK	98	71	431	312
Total	110	80	438	317

Company working interest wells

## Item 6.2 Properties with No Attributed Reserves

The following table sets forth information respecting Prospera’s undeveloped lands as at December 31, 2023.

Prospera Energy Inc. Undeveloped Land Effective December 31, 2023		
	Undeveloped Acres	
	Gross Acres	Net Acres
AB	640	224
SK	5,625	2,010
Total	6,265	2,234
(1) Unproved properties have no attributed reserves as of December 31, 2023. Undeveloped acreage within properties where reserves have been booked as of December 31, 2023 has not been included.		

As of December 31, 2023, Prospera had no outstanding material work commitments. In all other areas of its operations, Prospera’s significant obligations are discretionary.

## Item 6.3 Forward Contracts

Prospera is not currently party to any forward sale contracts.

## Item 6.4 Forward Contracts

InSite has included costs for downhole abandonment, surface disconnection and reclamation for wells that were assigned reserves in the reserve evaluation. Costs for salvage values have not been included in the reserves evaluation. Abandonment, disconnect and reclamation costs included in the reserve evaluation report are summarized below:

Prospera Energy Inc. Abandonment, Disconnect and Reclamation Costs for Wells Assigned Reserves		
	Total Proved Reserves (M\$)	Total Proved Plus Probable Reserves (M\$)
Undiscounted	13,484	14,911

## Item 6.5 Tax Horizon

The Corporation was not required to pay income taxes during the year ended December 31, 2023. The Corporation does not expect to pay taxes for at least the next two years. Based on after tax economic forecasts prepared by InSite, income taxes are not payable by the Company in the total proved and total proved plus probable reserves categories.



NI 51-101 Table 6.6

The following table summarizes certain expenditures of the Corporation during the year ended December 31, 2023.

Table 6.6  
NI 51-101

Capital Expenditures for the Year Ending December 31, 2023

	Amount (M\$)
<b>Propert Acquisition</b>	
Proved	0.22
Unproved	-
<b>Capital Expenditures</b>	
Exploration Costs	-
Development Costs	15.5
<b>Total</b>	<b>15.7</b>

#### Item 6.7 Exploration and Development Activities

The following table sets forth the gross and net wells completed by Prospera during the year ended December 31, 2023.

Prospera Energy Inc. Oil and Gas Well Activity in Year 2023		
Wells	Well Activity	
	Gross	Net
Development		
Gas	3	2
Oil	11	8
Dry	0	0
<b>Total</b>	<b>14</b>	<b>10</b>

#### Item 6.8 Production Estimates for 2024

All of Prospera production occurs in Canada as per the table below.

Prospera Energy Inc. Summary of First Year WI Production Forecast by Product Type Total Proved and Probable Reserves for Year 2024 as of December 31, 2023 Forecast Prices and Costs				
	Light and Medium Crude Oil (bbl/d)	Heavy Crude Oil (bbl/d)	Natural Gas (mcf/d)	Oil equivalent (boepd)
Total Proved	59	596	134	678
Total Probable	2	36	14	40
<b>Total Proved Plus Probable</b>	<b>61</b>	<b>632</b>	<b>148</b>	<b>718</b>

## NI 51-101 Table 6.9.1

## Prospera Energy Inc Year Ended December 31, 2023

	Q1	Q2	Q3	Q4	Full Year Ended Dec 31, 2023
<b>Average Daily Production:</b>					
Light oil and NGL (bbl/d)	27	37	29	41	34
Heavy Crude Oil (bbl/d)	264	421	434	669	448
Natural Gas (Mcf/d)	28	115	334	59	135
<b>Total (boe/d)</b>	<b>295</b>	<b>478</b>	<b>519</b>	<b>721</b>	<b>504</b>
<b>Average Net Production Prices received</b>					
Light oil and NGL (\$/bbl)	92.47	84.45	103.01	85.57	90.41
Heavy Crude Oil (\$/bbl)	56.12	70.84	89.53	70.18	73.01
Natural Gas (\$/Mcf)	4.16	3.50	2.34 -	2.94	2.19
<b>Total (\$/boe)</b>	<b>58.57</b>	<b>69.20</b>	<b>80.93</b>	<b>70.06</b>	<b>71.02</b>
<b>Royalties Paid</b>					
Light oil and NGL (\$/bbl)	6.52	10.66 -	4.92	4.84 -	4.65
Heavy Crude Oil (\$/bbl)	6.33	7.54	9.69	7.11 -	7.82
Natural Gas (\$/Mcf)	-	-	-	-	-
<b>Total (\$/boe)</b>	<b>6.34</b>	<b>7.79</b>	<b>8.77</b>	<b>6.98 -</b>	<b>7.60</b>
<b>Operating Expenses</b>					
Light oil and NGL (\$/bbl)	9.83	55.25	74.82	117.56 -	70.02
Heavy Crude Oil (\$/bbl)	73.79	41.32	42.02	37.24 -	44.57
Natural Gas (\$/Mcf)	-	-	-	-	-
<b>Total (\$/boe)</b>	<b>67.94</b>	<b>42.46</b>	<b>44.08</b>	<b>41.93 -</b>	<b>46.34</b>
<b>Netback received</b>					
Light oil and NGL (\$/bbl)	76.13	18.53	33.10 -	36.83	165.07
Heavy Crude Oil (\$/bbl)	- 23.99	21.98	37.83	25.83	125.40
Natural Gas (\$/Mcf)	4.16	3.50	2.34 -	2.94	2.19
<b>Total (\$/boe)</b>	<b>- 15.71</b>	<b>18.95</b>	<b>28.08</b>	<b>21.16</b>	<b>124.96</b>

## **RESERVE CATEGORY DEFINITIONS**

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical, and engineering data.
- the use of established technology; and
- specified economic conditions, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGEH.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

- (a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
  - (i) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - (i) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
- (b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

## **RESERVES CERTAINTY**

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties.

However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods. Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGEH.

## **QUALIFICATION**

To prepare their evaluation, a technical presentation of properties was made by the Company to InSite. Data required by them was sourced from the Company, 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.

Respectfully,

Peter Chung, Ph.D., P.Eng.  
Senior Reservoir Engineer