PRAIRIE PROVIDENT RESOURCES

Oil-Weighted Growth Engine

May 2017

Corporate Presentation

About
PRAIRIE PROVIDENT

- Oil and liquids focused E&P company operating primarily in Alberta
- Liquids-weighted, low-decline production generates attractive netbacks in current environment
  - ~65% liquids (52% light oil, 48% medium) and ~20% base decline
  - >5 years of low cost drilling locations[1] drives long-term growth engine
- Balance sheet well supported by reserves, cash flow and active hedge program
  - Debt to EBITDAX* currently 1.6x; target of 1.0x on annual average basis
- High working interests and operatorship allows control over pace of development
  - Competition for capital allocation drives enhanced capital efficiencies and IRRs

* Note: See Oil and Gas Metrics and Non-IFRS Measures Advisories on slide 21

[1] Based on booked undeveloped locations included in the year end 2016 Sproule reserves report and assuming annual capital program of $25 - $35MM

STRATEGY

- Focus on development of conventional western Canadian oil and liquids plays that offer compelling economics in a low price environment
    - Maintain high working interests and operatorship
- Deliver accretive growth through organic exploitation plus opportunistic acquisitions
    - Competition for capital across areas improves IRRs
- Maintain strong balance sheet through capital discipline and robust hedge program
    - Target 1X debt to EBITDA on a rolling twelve-month basis

Company OVERVIEW

As at May 15, 2017	Market and Financial Summary
Shares Outstanding	**115.9 MM**
Management & Board Equity Ownership	**3%**
Market Capitalization	**$69 MM**
Long-Term Debt	**$51 MM**
Credit Capacity	**$65 MM**
2017 Forecast Funds from Operations(1)	**$31 - 35 MM**
	Operational Summary(2)(3)
Production (Q1/17)	**~5,600 boe/d**
Oil & liquids weighting (Q1/17)	**~55%**
Base decline rate	**~20%**
P+P Reserves	**20,321 Mboe**
Reserve Life Index (P+P)	**8.7 years**
P+P Reserves PV10	**$302.3 million**
PDP Reserves	**10,199 Mboe**
PDP Reserves PV10	**$181.4 million**

(2), (3) See endnotes on slide 19

MANAGEMENT TEAM AND BOARD

Management

Tim S. Granger, *President & CEO*
CEO Molopo Energy Limited, President and CEO of Compton Petroleum Corporation, COO Paramount Energy, Managing Director of TAQA North, COO Primewest

Mimi M. Lai, *VP Finance and CFO*
Vice President, Finance & Controller, Manager, Financial Reporting at Harvest Operations Corp, Sr. Manager, Financial Accounting Advisory Services Ernst & Young LLP

Robert Guy, *VP Operations*
Vice President Production Operations at Spyglass Resources Corp., Manager Operations at Ketch Resources Trust, Various Management Positions at Acclaim Energy Trust

Tony van Winkoop, *VP Exploration*
President and CEO Arsenal Energy Inc., General Manager of Development Primewest, Co-founder Venator Petroleum

Gjoa Taylor, *VP Land*
Vice President Land Arsenal Energy Inc. Various positions with Imperial Oil, Crestar Energy, and at PrimeWest Energy as Manager, Negotiations

Board of Directors

Patrick R. McDonald, *Chairman*

David M. Fitzpatrick

Derek Petrie

Ajay Sabherwal

Rob Wonnacott

Terence (Tad) Flynn

Tim Granger (President & CEO)

POSITIONED
FOR GROWTH

- Built an oil-weighted and low-risk asset base in Alberta focused in Wheatland / Princess and Evi, which offers:
  - Over 170[1] internally identified development drilling opportunities (unrisked)
  - Proven water flood program that requires minimal capital and reduces corporate decline rates
  - Significant future consolidation prospects in core areas
- Organically grew Wheatland to ~ 2,500 boe/d while reducing capital costs from ~$2.7MM to $1.65MM per well
- Advanced waterflood project at Evi in 2016 with four new injector wells
- Multiple M&A targets in close proximity to focus areas

(1) See endnotes on slide 28

ALBERTA ASSET BASE

759,948
Total Net Acres(1)(2)

14.8 MMBOE
Proved Reserves(1)(2)

$222 MM
Proved NPV10 Value(1)(2)

KEY FOCUS AREAS

Evi

- Slave Point light oil – low risk
- 122 sections
- Emerging waterflood; initial reserves booked

Wheatland

- Lower cretaceous oil/gas
- 128 sections; year round access
- Hz development

Princess

- Multi-zone potential:
- Lithic Glauc & Detrital
- Hz and Vt development

(1)(2) See endnotes on slide 19

ATTRACTIVE ECONOMICS & INVENTORY

- 2017 budgeted capital program of $25 - $35MM (responsive to commodity price & results)
- Focused at Wheatland, Princess and Evi
- Flexibility to expand or reduce capital program based on commodity prices
- Cash flow, hedges and access to capital supports growth plans

Average Type Well Economics	Princess	Princess Glauconite	Wheatland	Evi drill[(2)]	Evi wtrfld
Drill, Complete, Equip & Tie-in ($MM)	$0.7 MM	$1.5 MM	$1.6 MM	$2.2 MM	$1.0 MM
Production, IP30 (boe/d)	65 boe/d	160 boe/d	260 boe/d	115 boe/d	n/a
Production, IP365 (boe/d)	45 boe/d	110 boe/d	160 boe/d	80 boe/d	60 boe/d
EUR (mboe)*	60 mboe	140 mboe	250 mboe	150 mboe	150 mboe
Rate of return (%)[(1)]	73%	38%	27%	29%	58%
Payout (years)	1.1 yrs	1.8 yrs	2.5 yrs	2.5 yrs	1.9 yrs
Reserve cost ($/boe)	$12.13/boe	$10.81/boe	$6.54/boe	$15.28/boe	$6.88/boe
Operating netback ($/boe/d)*[(1)]	$34.31/boe	$29.46/boe	$16.50/boe	$44.00/boe	$44.00/boe
Recycle ratio	2.8	2.7	2.5	2.9	6.4

* Note: See Oil and Gas Metrics and Non-IFRS Measures Advisories on slide 21

(1) Based on March 2, 2017 strip pricing of 2017 WTI@US$54, AECO@Cdn$2.56/mmbtu
(2) Recoveries assume waterflood associated with new wells

PRAIRIE PROVIDENT RESOURCES

CORE AREA DEVELOPMENT

Focus on development at Wheatland, Princess and Evi:
2017 estimated capital program of $25 to $35 million

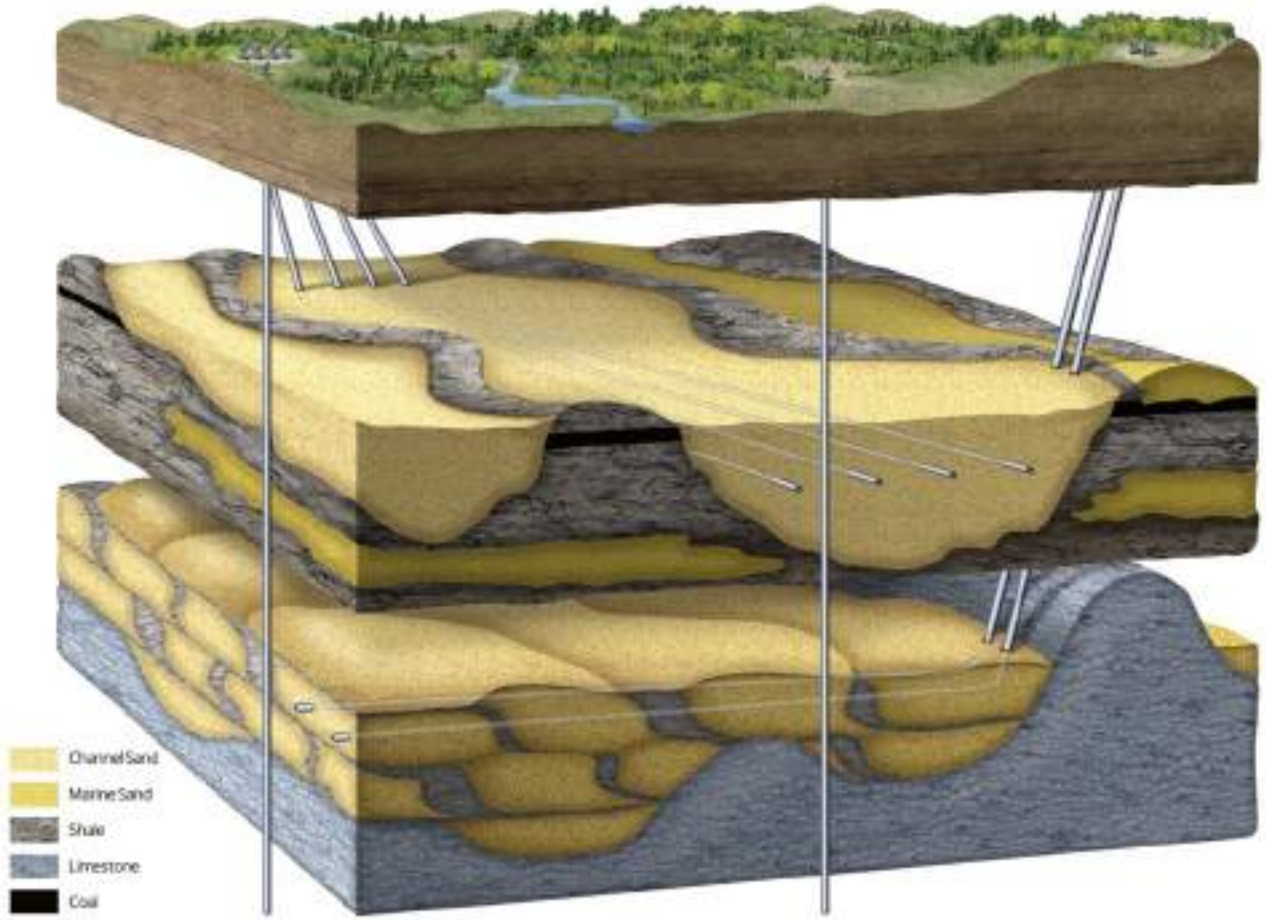
Core Area	Capex
Wheatland / Princess	$15 to $25 MM
Evi	$2 MM
Other	$8 MM

- Flexibility to expand capital program based on commodity prices
- Seek further growth through organic drilling on sizeable land base or pursue accretive acquisitions
- Strong balance sheet and access to capital supports M&A

WHEATLAND / PRINCESS OPPORTUNITY

- Shallow Mannville / Detrital Fairway with large OOIP
- Lithic Glauconite Fluvial Channels
- Subaqueous Marine Ellerslie Deposition
- Horizontal efficiencies with pad drilling
- Bypassed pay identification

29-33º API oil
3,500 – 7,500 scf/bbl
8-25m thick
9-15% porosity
15-45% WTC

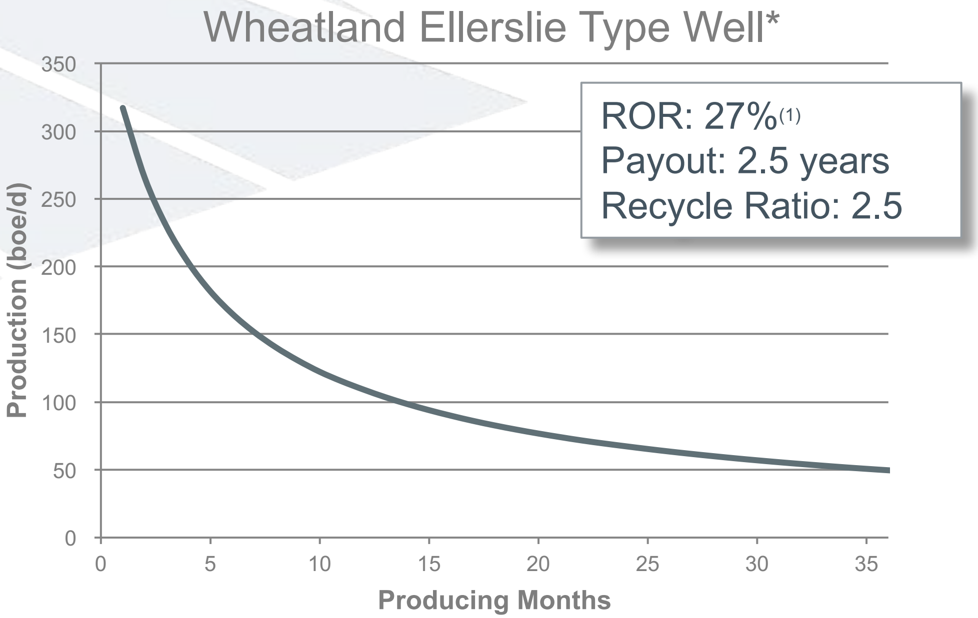


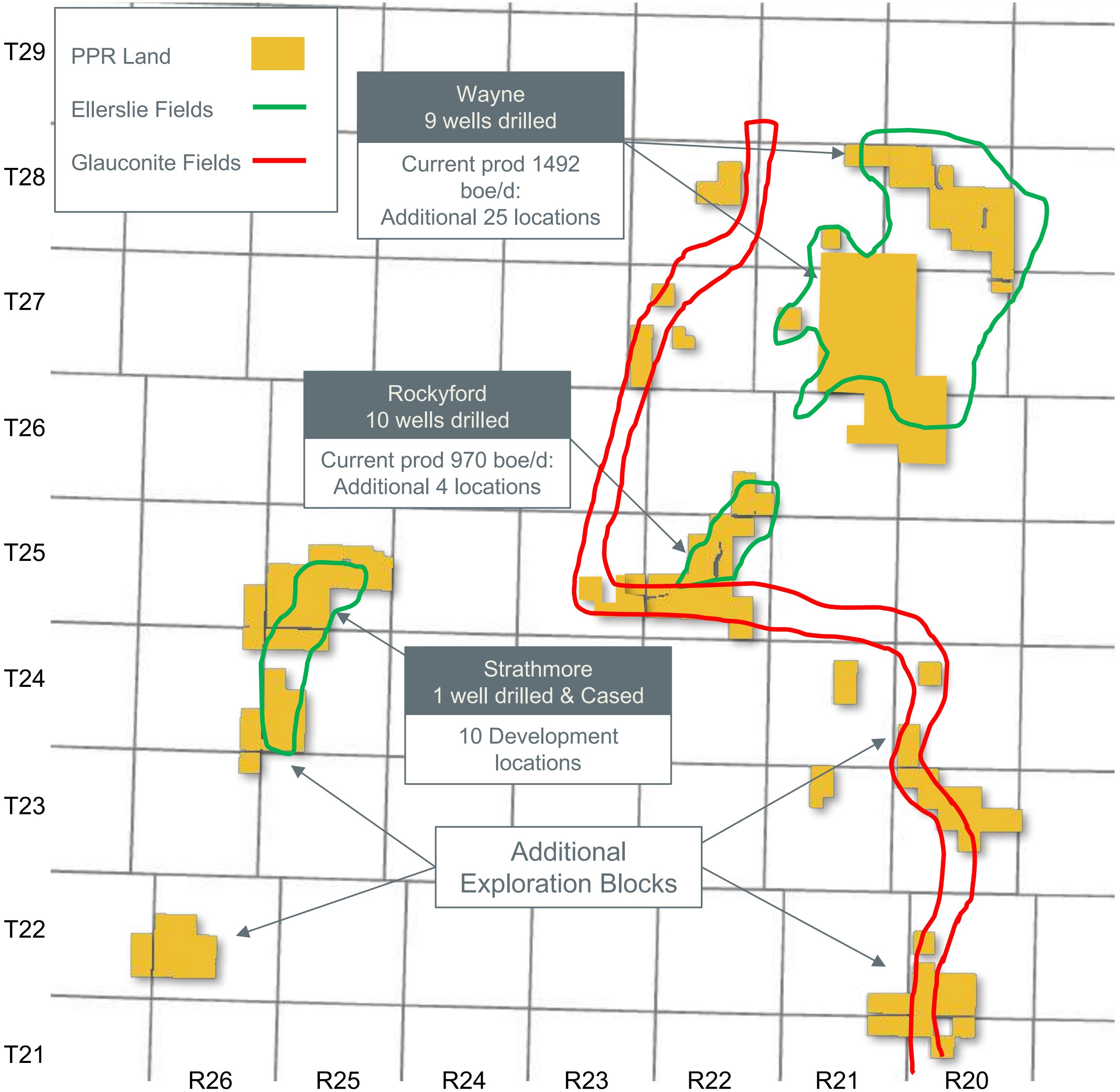
Multi-zone stacked bypass light oil play

PRAIRIE PROVIDENT RESOURCES

WHEATLAND

- Lithic glauconite fluvial channels; subaqueous marine Ellerslie deposition
- Medium oil + associated natural gas opportunities
- 77,631 net acres of freehold land with extensive drilling inventory
- 14 gross (12.65 net) horizontal wells drilled in 2016; encouraging results
- Total proved reserves of 3.0 MMboe (NPV10 $30.0 mm) at YE 2016





* Note: See Oil and Gas Metrics and Non-IFRS Measures Advisories on slide 21

(1) Based on March 2, 2017 strip pricing of 2017 WTI@US$54, AECO@Cdn$2.56/mmbtu

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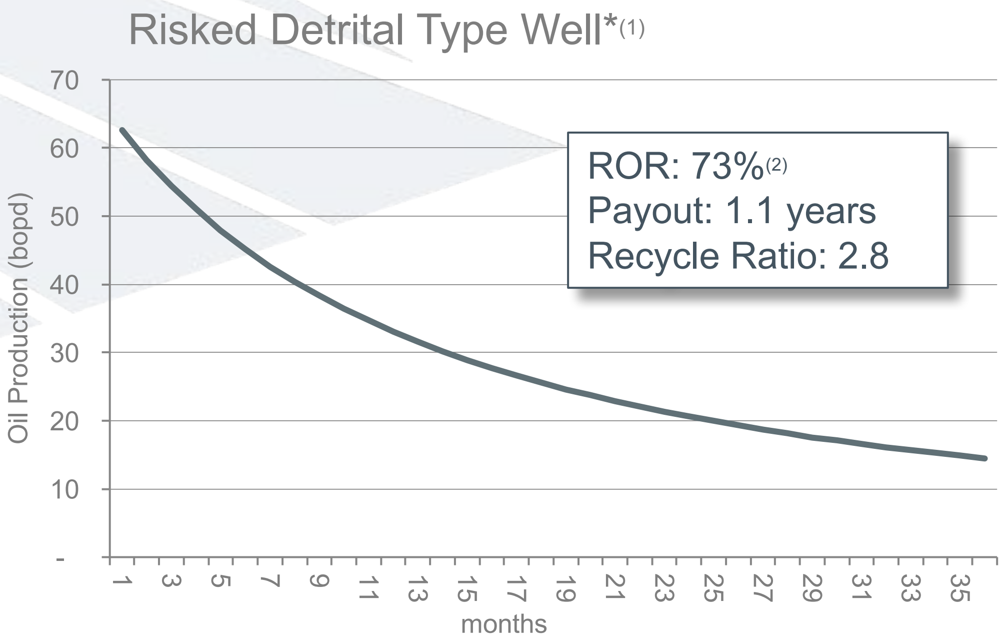
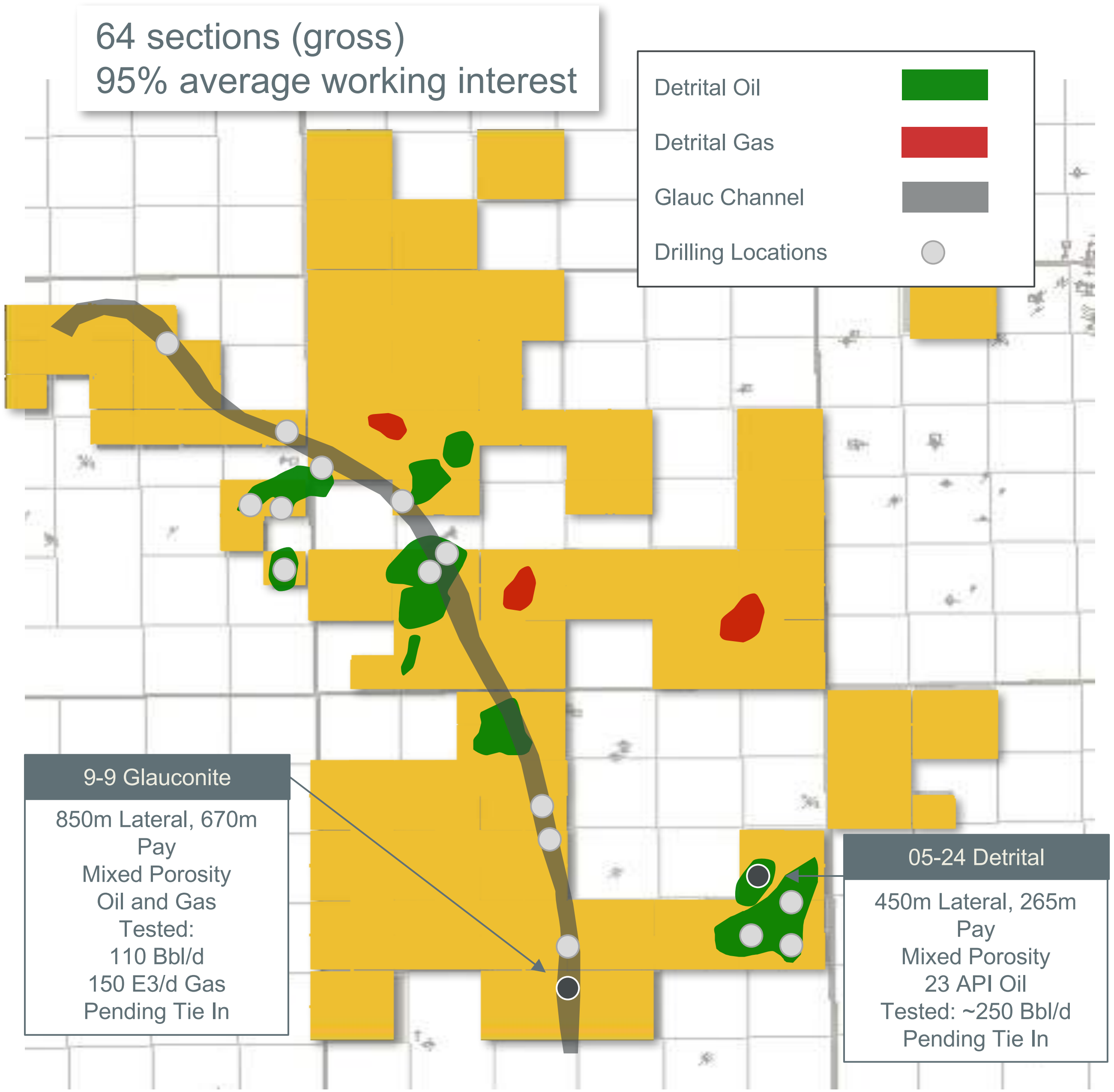
PRINCESS

Robust Economics & Low-Risk Growth Driver

- 9 identified Detrital locations; 6 identified Glauconite locations
- 2 discovery wells awaiting tie in - wells cumulatively tested > 500 bbl/d of oil
- 3D seismic controlled
- Potential future cost savings with gas processing with an incremental expenditure estimated at < $5.0MM





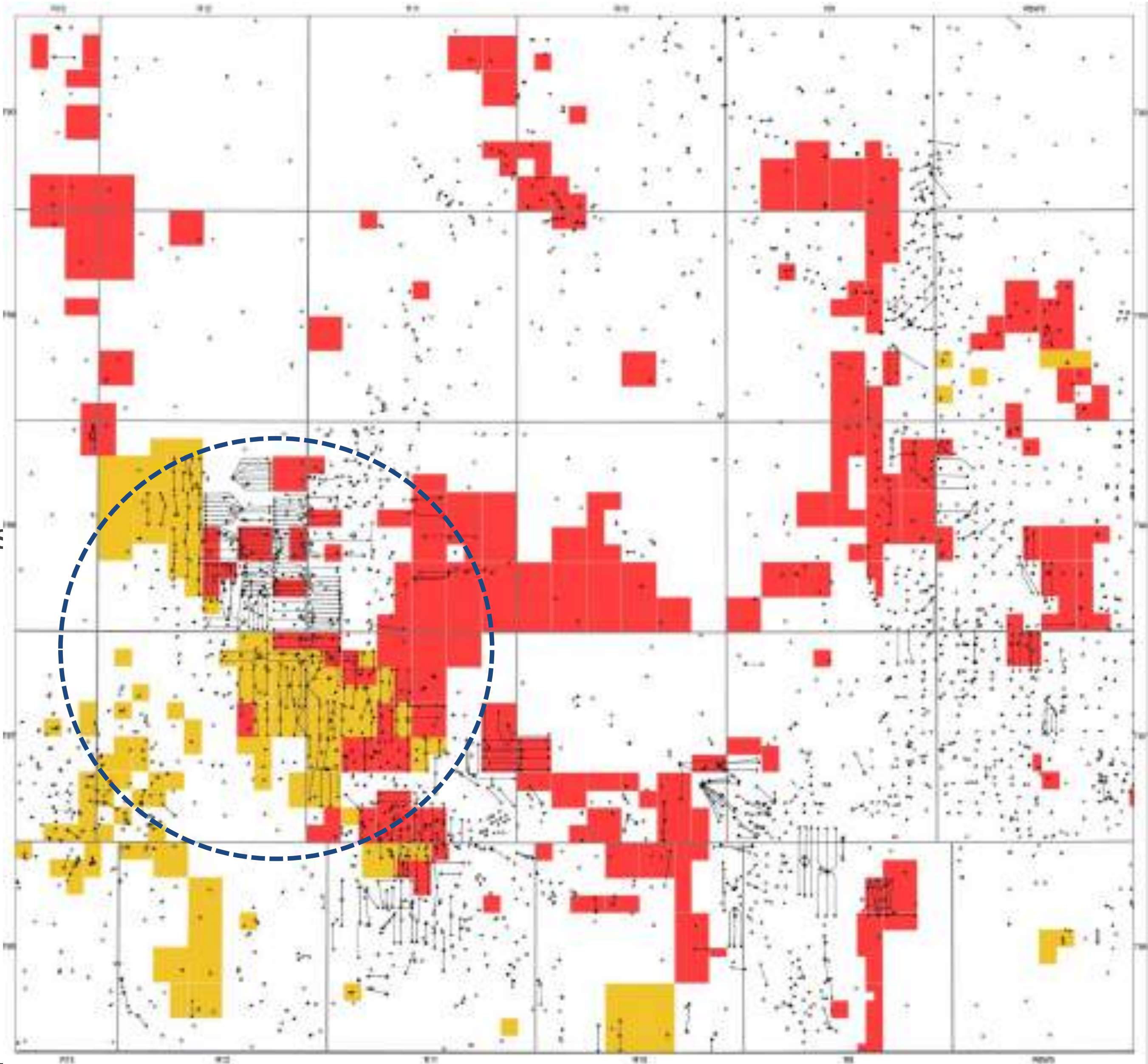
* Note: See Oil and Gas Metrics and Non-IFRS Measures Advisories on Slide 21

(1) Risked at 50%
(2) Based on March 2, 2017 strip pricing of 2017 WTI@US$54, AECO@Cdn$2.56/mmbtu

PRAIRIE PROVIDENT RESOURCES

EVI ACQUISITION[1]

- Slave Point light oil resource play
- ~1,100 boe/d of production
- Acquisition brings operational synergies of $2/boe or $2MM/year
- Company controls pace of development & capital and established infrastructure supports strong netbacks
- Seven approved waterflood schemes with proven results significant room for expansion
- Low-risk infill and exploitation potential on 78,000 net acres of undeveloped land
- Forecast 2017 capex of $2MM



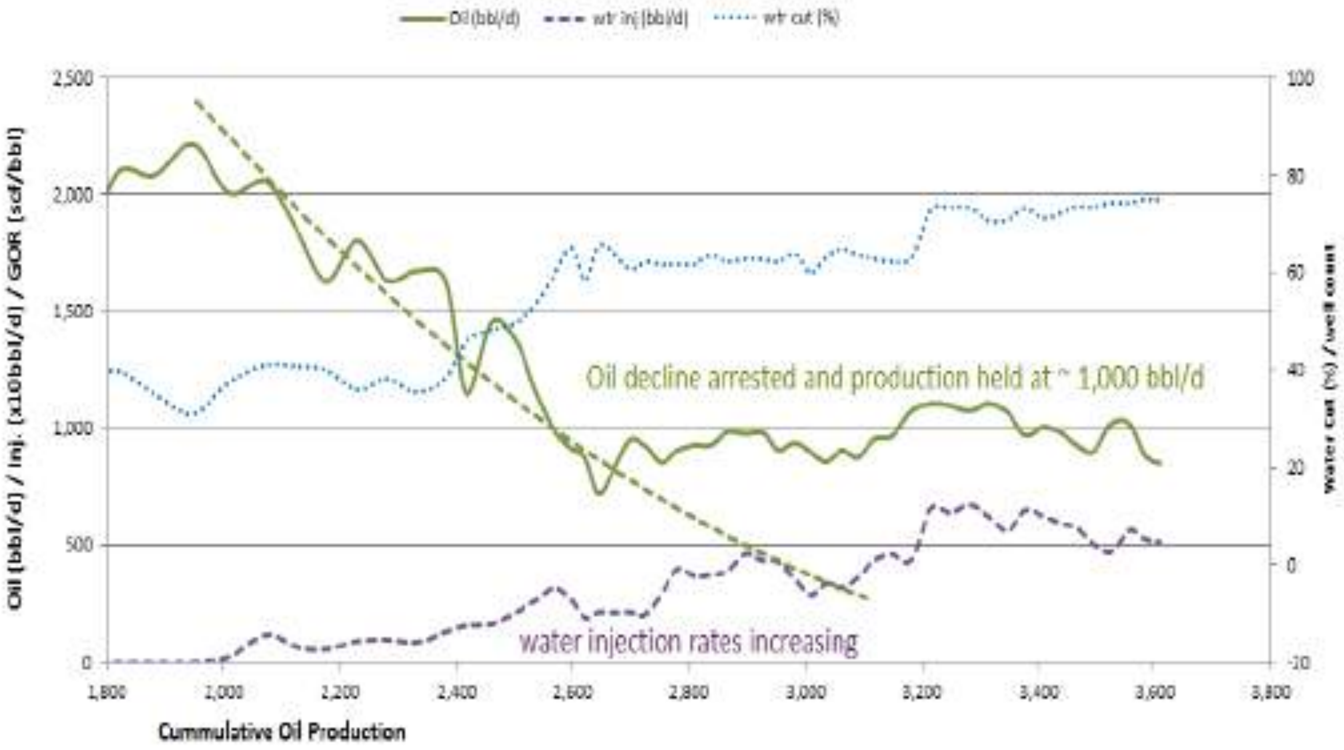
PPR Lands

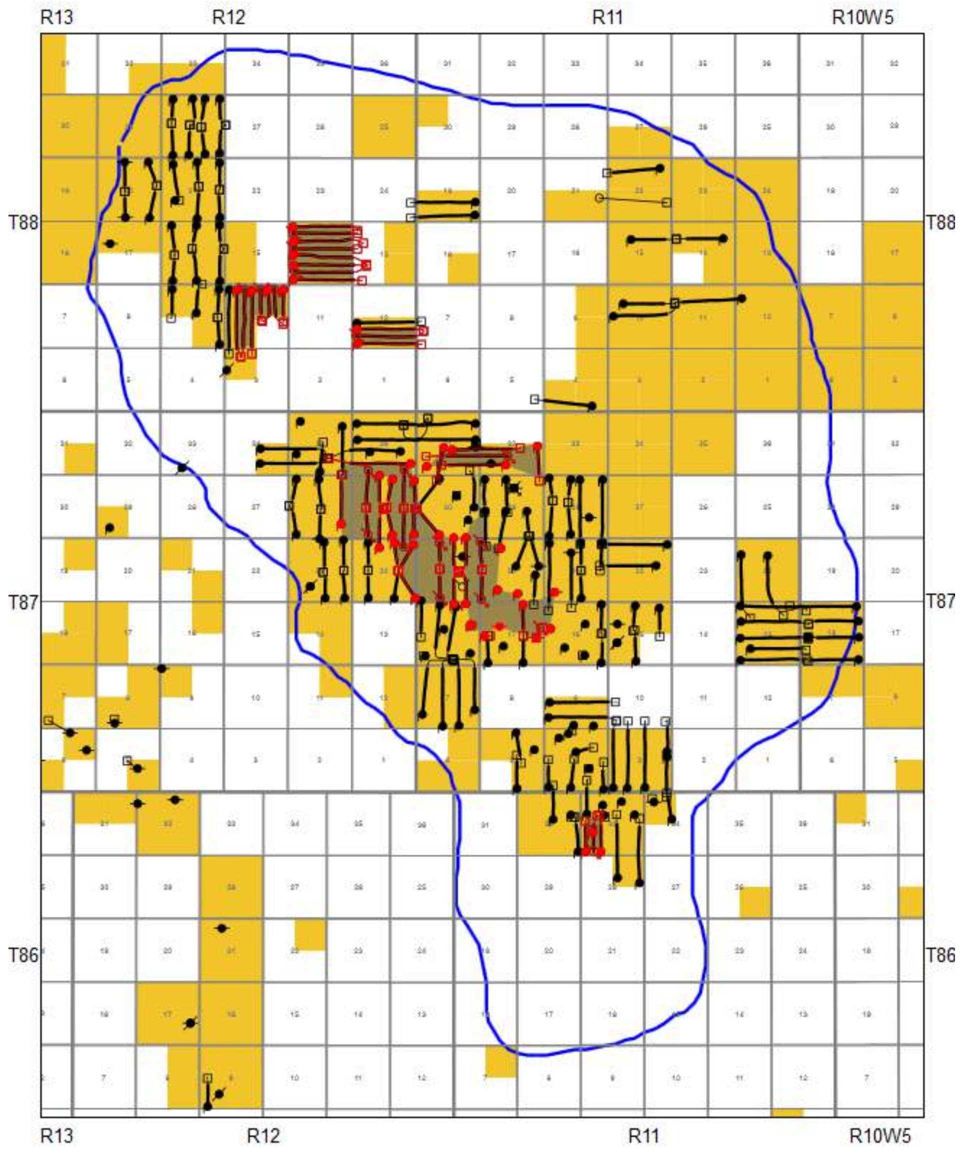
Acquisition Lands

Focus Area

(1) Closed March 22, 2017

WATERFLOOD RESULTS





- Declines have been arrested where waterflood has been introduced
- Significant room for flood expansion on existing land base
- Low-cost mechanism to add reserves and production

PRAIRIE PROVIDENT RESOURCES

COMMITMENT TO SUCCESS

PPR remains focused on per share and returns-focused growth

2016 Objectives	Deliverables Since September 2016	Outlook for 2017
Exit 2016 production guidance of 5,000 boe/d, maintain strong F&D costs	Exited at 5,500 boe/d, 10% increase over objective; F&D of $9.06/boe (2P)	2017 Exit Guidance of 7,500 - 8,000 boe/d, including acquisition of Red Earth light oil assets
Integrate Arsenal and PPR assets and people	Successful integration and operating structure gains (G&A of $3 - $4/boe)	Continued consolidation offers further efficiencies and operating cost reductions
Continue layering on hedges to protect cash flows	Added new hedges for 2017 and 2018	Continue supplementing hedge position ~two years out
Maintain strong balance sheet and financial flexibility	$4.9MM flow-through financing in Q4 2016, raised $8.0MM of common equity and flow-through shares in Q1 2017	Funded Greater Red Earth acquisition with $8.0MM financing, increased capacity on credit facility to $65.0MM
Enhance trading liquidity and market access	Four analysts covering stock, average daily trading liquidity up 80% q/o/q	Continued focus on raising awareness in capital markets

2017 OUTLOOK

	Current Estimates[1]
Average production (boe/d)	6,100 - 6,600
% liquids weighting	60% - 65%
Exit production (boe/d)	7,500 - 8,000
Operating netback ($/boe)	$16.00 - $17.00
Operating netback, after realized gains from derivative instruments ($/boe)	$17.00 - $18.00
Royalties (%)	16%
Operating expenses ($/boe)	$16.00 - $17.00
G&A, excluding stock-based compensation ($/boe)	$3.00 - $4.00
Capital expenditures ($millions)	$25 - $35

(1) Assumes 2017 average WTI US$54.00, FX rate of $0.76 per US$1.00, a differential to WCS of $20.00 and AECO $2.75/GJ

ACTIVE RISK MANAGEMENT

70% hedged

of forecast 2017 base volumes (net of royalties)

36% hedged

of forecast 2018 base volumes (net of royalties)

Commodity Contract	Notional Quantity	Remaining Term	Reference	Weighted Average Price	Contract Type
Oil	500 bbls/d	January 1, 2017 – December 31, 2017	CDN$ WTI	$65.00 / 72.00	Collar
Oil	250 bbls/d	January 1, 2017 – December 31, 2017	CDN$ WTI	$65.00 / 75.00	Collar
Oil	500 bbls/d	January 1, 2017 – December 31, 2017	CDN$ WTI	$58.00 / 67.50	Collar
Oil	500 bbls/d	January 1, 2017 – December 31, 2017	CDN$ WTI	$87.78	Swap
Light Oil Differential	1,000 bbl/d	January 1, 2017 – December 31, 2017	CDN$MSW	-$5.70 (1)	Swap
Natural Gas	4,550 GJ/d	January 1, 2017 – December 31, 2017	AECO 7A Monthly Index	$2.79	Swap
Oil	500 bbls/d	January 1, 2018 - December 31, 2018	USD$WTI	$65.00	Sold Call Option
Oil	800 bbls/d	January 1, 2018 - December 31, 2018	CDN$ WTI	$58.00 / 67.50	Collar
Oil	400 bbls/d	April 10, 2017 - December 31, 2017	CDN$ WTI	$70.00 / 85.00	Collar
Oil	400 bbls/d	January 1, 2019 - December 31, 2019	CDN$ WTI	$85.00	Sold Call Option
Natural Gas	1,500 GJ/d	May 1, 2017 - December 31, 2017	AECO 7A Monthly Index	$2.80	Swap
Natural Gas	1,500 GJ/d	January 1, 2018 - December 31, 2018	AECO 7A Monthly Index	$2.76	Swap
Natural Gas	1,500 GJ/d	January 1, 2018 - December 31, 2018	AECO 7A Monthly Index	$2.76	Sold Call Option

(1) Settled on the monthly average Mixed Sweet Blend ("MSW") Differential to WTI

NON-CORE PRODUCING ASSETS

Provost ~98% WI (TWP 37-4W4)

- 400 Boe/d (92% liquids) net
- YE2015 - TP NPV10 $14.3MM
- Operated production and battery
- Medium to heavy oil (cold production)

Chinchaga ~ 33% WI (TWP 97-8W6)

- 195 Boe/d (15% liquids) net
- YE15 - TP NPV10 $3.11MM
- Non-Operated (CNRL)
- Cretaceous shallow gas

Waterton ~12-40% WI (TWP 6-3W5)

- 432 Boe/d (5% liquids) net
- YE15 - TP NPV10 $4.52MM
- Non-Operated (Shell)
- Wabamun - Sour gas

EXPLORATION

FUTURE OPPORTUNITIES

Pointed Mountain, North West Territories – Shale Gas

- Lease extended by 21 years by Aboriginal Affairs and Northern Development on Dec. 10, 2013
- 53,000 net acres in Liard Basin prospective for Besa River & Muskwa shales
- Land in close proximity to a major pipeline with significant capacity

Saint Lawrence Lowlands, QC - Utica Shale

- Large contiguous acreage position

Why Invest in PPR ?

Compelling value opportunity

PPR trading at
~38%
of pro-forma PDP PV_{10}

Focused on returns

- Disciplined approach to capital allocation and focus on projects that provide the highest IRR
- Asset portfolio provides returns ranging from 27% - 73%[1] in current price environment, supporting organic growth and development

Oil-weighted, low-risk asset base

- >5 years identified development drilling opportunities at Wheatland / Princess
- Light oil waterflood project at Evi offers attractive economics + significant reserves addition potential
- High working interest and operatorship allows control over pace of development

Financial flexibility

- $51MM drawn on $65MM facility representing 1.6x debt / EBITDAX*; reduce to 1x target over the coming quarters
- Strong hedge position (70% of 2017 base net production; 36% of 2018 base net production)
- Remain focused on prudent capital management and will scale our 2017 budget depending on commodity prices

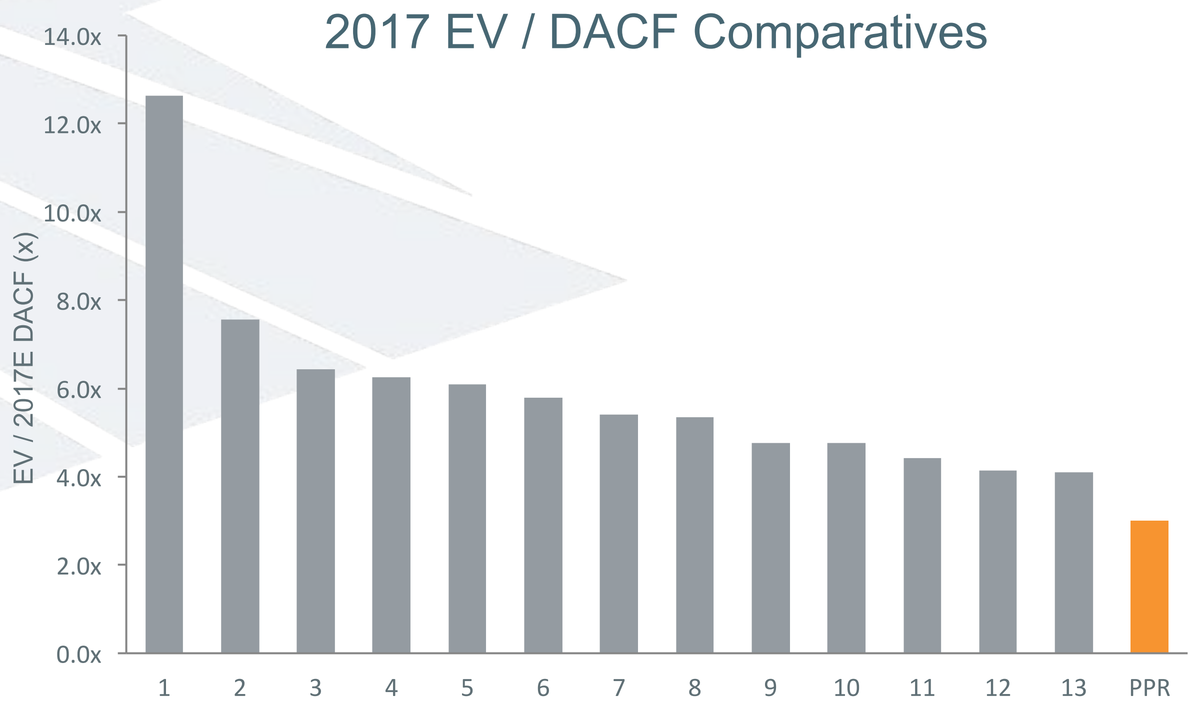
PRAIRIE PROVIDENT RESOURCES

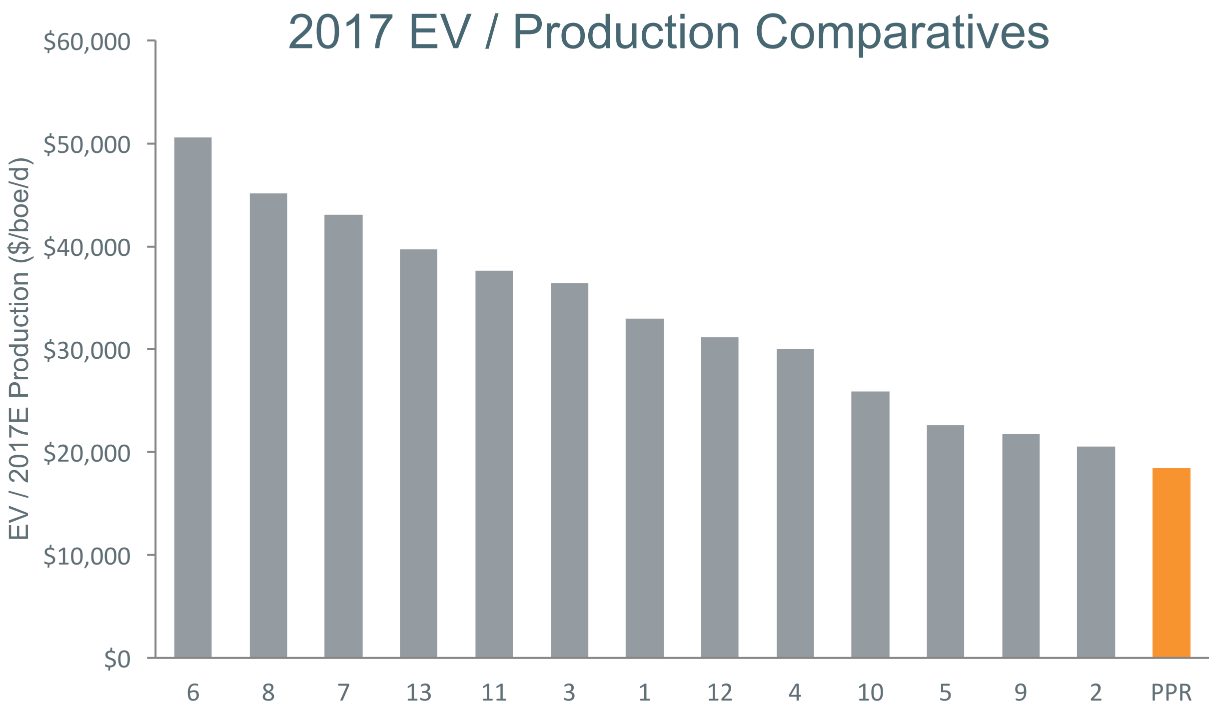
* Note: See Oil and Gas Metrics and Non-IFRS Measures Advisories on slide 21

[1] Based on March 2, 2017 strip pricing of 2017 WTI@US$54, AECO@Cdn$2.56/mmbtu

COMPELLING OPPORTUNITY
PROVEN ASSETS, COMMITTED TEAM, STRONG TORQUE TO OIL PRICES

Current valuation presents attractive entry point





(1) Source: Bloomberg, Mackie Research Capital as at March 17, 2017
(2) Companies included above: SRX, BXE, RMP, MQX, EGL, SGY, TVL, SOG, JOY, PRQ, IPO, GXE, ATU

PRAIRIE PROVIDENT RESOURCES

SUMMARY
OIL-WEIGHTED GROWTH ENGINE

Oil & liquids focused E&P company executing a returns-based growth strategy

ATTRACTIVE ASSETS(1)(2)

- ~5,600 Boe/d current production
- ~65% oil and liquids weighted
- ~70% of 2017 production is hedged, economic netbacks and returns in current environment

LIQUIDITY

- Development funded with future operating cash flows
- $14mm available on $65mm credit facility
- Steady cash flows from low-decline assets

FUTURE GROWTH

- Sizeable drilling inventory for organic growth
- Consolidation opportunities in core areas
- Low maintenance capital requirements

14.8 MMboe
Total Proved reserves(1)(2)

$222 MM
Total Proved NPV10 (1)(2)

(1)(2) See endnotes on slide 19

Prairie Provident

Corporate Information

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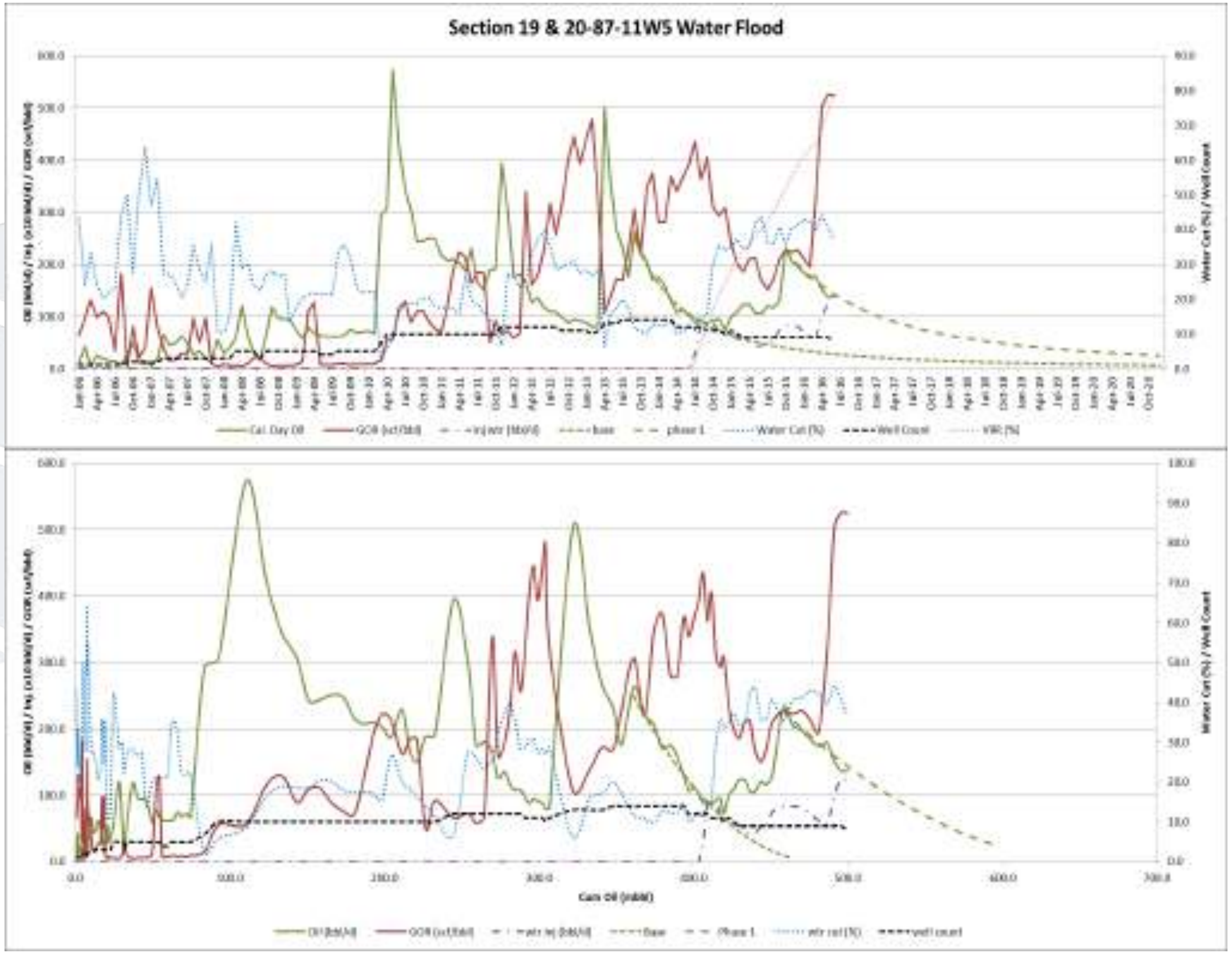
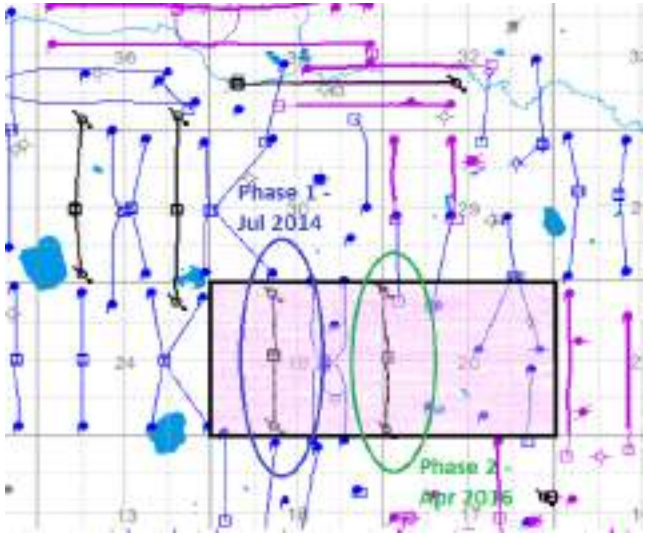
RESERVE ENGINEERS:
Sproule

BANKERS:
ATB, Société Générale

INVESTOR RELATIONS:
5 Quarters Investor Relations Inc.

PPR SECTION 19 & 20-87-11W5 WATERFLOOD – PHASE 1 RESULTS





OOIP – 8,000 mbbl

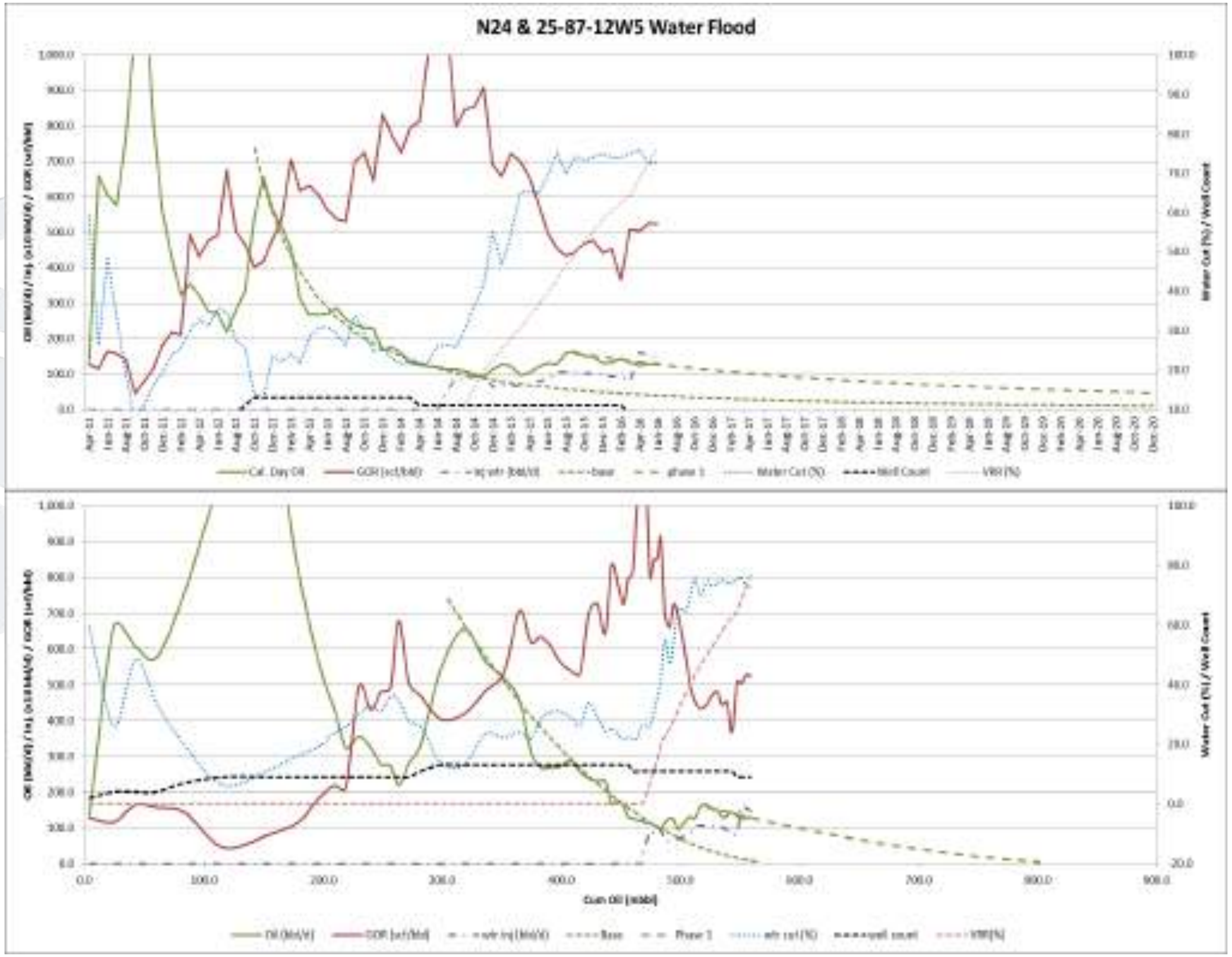
Primary Recovery – 475 mbbl (5.9%)

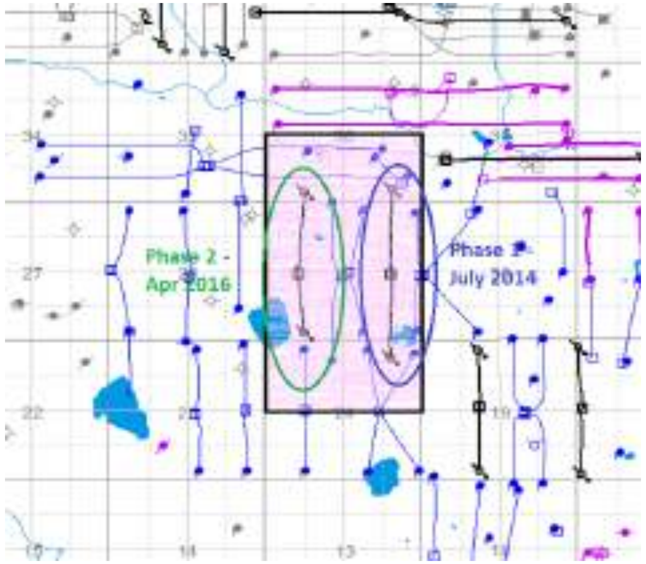
Phase 1 – 600 mbbl (7.5%)

Incremental Rec. – 125 mbbl

PRAIRIE PROVIDENT RESOURCES

PPR N24 & 25-87-12W5 WATERFLOOD– PHASE 1 RESULTS





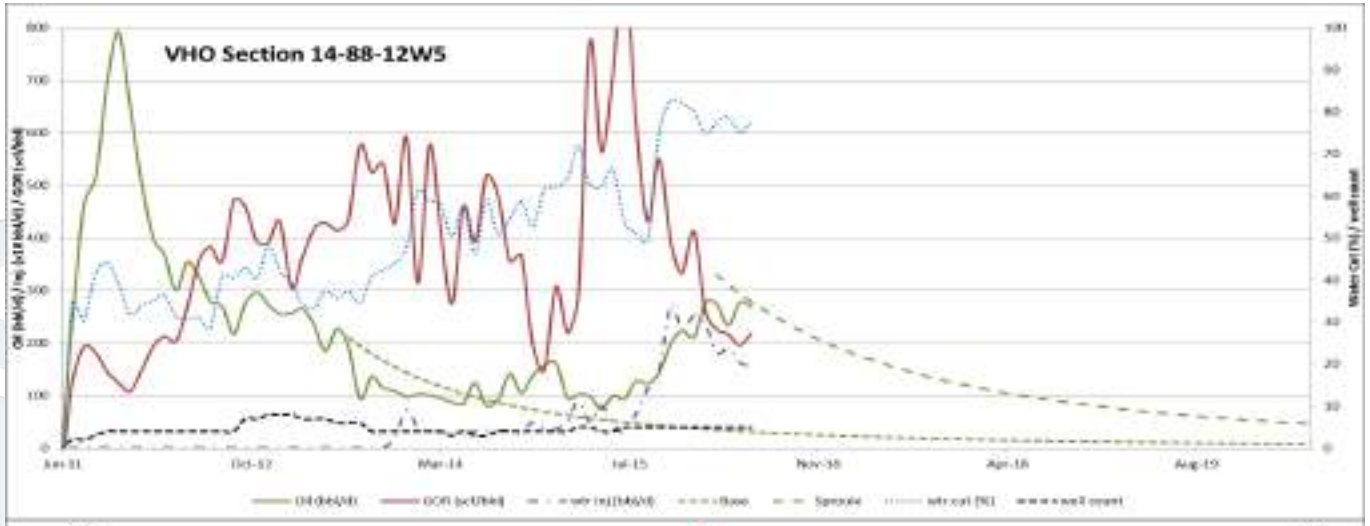
OOIP – 6,000 mbbl

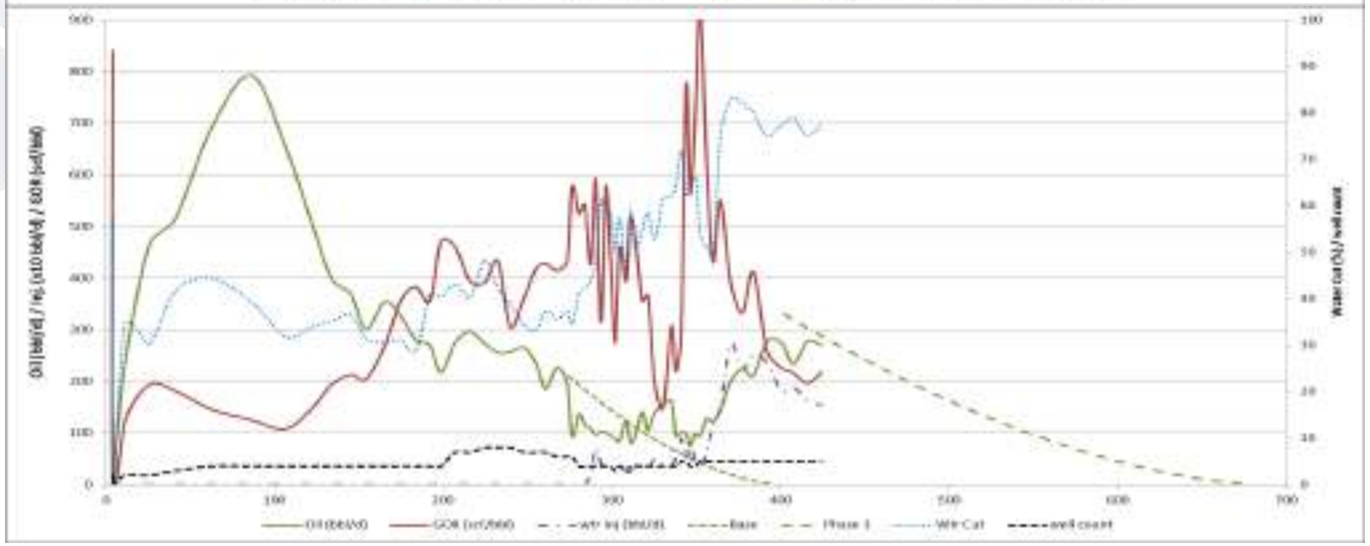
Primary Recovery – 565 mbbl (9%)

Phase 1 – 800 mbbl (13%)

Incremental Rec. – 235 mbbl

VHO SECTION 14-88-12W5 WATERFLOOD RESULTS





OOIP – 4,000 mbbl

Primary Recovery – 400 mbbl (10%)

Enhanced Rec. – 675 mbbl (17%)

Incremental Rec. – 275 mbbl

PRAIRIE PROVIDENT RESOURCES

ENDNOTES

1. Prairie Provident's 2016 year-end reserves evaluation was conducted by Sproule Associates Limited (“Sproule”), the Company’s independent qualified reserves evaluator, with an effective date of December 31, 2016. Sproule evaluated 100% of the Company’s reserves. This presentation includes certain information contained in Sproule’s independent reserves evaluation report as at December 31, 2016 (the “Sproule Report”), which was prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”) and the definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”). The reserves evaluation is based on forecast prices and costs, and applies Sproule’s forecast escalated commodity price deck and foreign exchange rate and inflation rate assumptions at December 31, 2016. Estimated future net revenue are stated without any provisions for interest costs, debt service charges or general and administrative expenses, and after the deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.

2. Funds from operations are estimated for the period between the closing of the Plan of Arrangement and December 31, 2016.

3. See "Non-GAAP Measures" in the advisories at the end of this presentation.

4. The Company calculates "replacement ratio" by dividing the yearly change in reserves before production by the actual annual production for that year.

5. The Company calculates “F&D” by dividing the sum of all capital costs for that period (except for capitalized general and administrative G&A expenses)) and the change in FDC for that period by the change in reserves relating to discoveries, infill drilling, improved recovery, extensions and technical revisions for that same period. Management uses these oil and gas metrics for its own performance measurement These metrics do not have standardized meanings or methods of calculations, therefore they may not be comparable to similar labelled measures presented by other companies. Readers are Cautioned that the information provided by these metrics or that can be derived form the the metrics present herein, should not be relied upon for investment or other purposes.

ADVISORIES

Forward Looking Statements

This presentation contains forward-looking information within the meaning of applicable Canadian securities laws. Statements that constitute forward-looking information relate to future performance, events or circumstances, and are based upon internal assumptions, plans, intentions, expectations and beliefs. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by words such as "expect", "anticipate", "continue", "estimate", "will", "should", "believe", "forecast", "budget", "potential" and similar expressions.

Although Lone Pine and Arsenal believe that the forward-looking statements contained herein are reasonable, they should not be unduly relied upon. There can be no assurance that the assumptions, plans, intentions, expectations or beliefs contained in the forward-looking statements or upon which they are based will in fact occur or be realized (or if they do, what benefits Lone Pine, Arsenal or Prairie Provident will derive therefrom). Actual results or outcomes may differ from those expressed or implied in the forward-looking statements. The difference may be material.

Forward-looking statements address future events and circumstances and, accordingly, by their very nature involve inherent risks and uncertainties, both known and unknown, many of which are beyond Arsenal's, Lone Pine's and Prairie Provident's influence or control. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results or outcomes may vary materially from those currently anticipated. Such risks and uncertainties include, but are not limited to, the potential for counterparties to be unable or unwilling to close transactions and the inherent risks associated with the oil and gas industry, such as: operational risks in exploration, development, exploitation and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; uncertainty of estimates and projections relating to production rates, costs and expenses; commodity price and exchange rate fluctuations; marketing and transportation risks; environmental risks; competition from others for scarce resources; the ability to access sufficient capital from internal and external sources; changes in laws or governmental regulation of the oil and gas industry, including with respect to tax, royalty and environmental matters. This list is not exhaustive. Readers should also review the risk factors described in other documents filed by Arsenal from time to time with securities regulatory authorities in Canada, including its most recent annual information form, available electronically may be accessed through the SEDAR website at www.sedar.com.

In respect of the forward-looking information and statements concerning anticipated benefits and completion of the proposed Arrangement and the anticipated timing for completion of the Arrangement, Lone Pine and Arsenal have provided such in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail shareholder meeting materials, including the required information circular; the ability of Lone Pine and Arsenal to each receive, in a timely manner, the necessary regulatory, court, shareholder, stock exchange and other third party approvals, including but not limited to the receipt of applicable competition approvals; the ability of each of Lone Pine and Arsenal to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; and expectations and assumptions concerning, among other things: commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Other specific forward-looking statements contained in this news release such as, outstanding debt at closing, estimated production levels, anticipated completion of non-core asset dispositions by Arsenal, estimated combined tax pools and borrowing base available to Prairie Provident on closing, are provided based on the assumption Arsenal will complete its proposed dispositions of non-core assets in the manner consistent with the disclosures in its June 2, 2016 news release. To the extent that the proposed sales are not complete, such forward-looking statements may be materially inaccurate.

Financial outlook information contained in this news release regarding prospective results of operations, financial position or cash flows is based on assumptions about future events and circumstances, including economic conditions and proposed courses of action, based on internal assessment by management of relevant information currently available.

The forward-looking statements included herein are made as of the date of this news release and neither Lone Pine nor Arsenal undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by securities laws.

All forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement

Barrels of Oil Equivalent (BOEs)

The production and reserves information provided in this news release is presented on the basis of a barrel of oil equivalent (BOE) measure, with natural gas volumes converted to a BOE measure at a ratio of six thousand cubic feet to one barrel. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf (six thousand cubic feet) to one bbl (one barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Reserves Disclosure

Reserves included herein are stated on a company interest basis (working interest and royalty interest before deduction of royalties payable) unless noted otherwise. The reserves estimates attributed to the properties of Lone Pine and Arsenal are estimates only. Actual reserves may be greater or less than those estimated, and the difference may be material.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data as well as forecasts of commodity prices and anticipated costs. As circumstances change and additional data becomes available, reserves estimates also change. Revisions may be positive or negative.

It should not be assumed that the estimates of future net revenues presented in this news release represent the fair market value of Arsenal's, Lone Pine's or Prairie Provident's reserves. There is no assurance that the price forecast and cost assumptions applied by the independent reserves evaluators in evaluating the reserves of Arsenal or Lone Pine will be attained and variances between actual and forecast prices and costs could be material.

Non-IFRS Measures

This news release includes reference to "funds from operations", which is not a measure that has a standardized meaning under International Financial Reporting Standards (IFRS) and is not presented in the financial statements of Arsenal or Lone Pine. Accordingly, that measure as presented herein may not be comparable to similarly defined measures presented by other entities. "Funds from operations" is calculated as cash flow from operating activities, as determined in accordance with IFRS, adjusted for cash paid financing costs, changes in non-cash working capital and decommissioning obligations expenditures. Management considers funds from operations a useful measure of the ability to generate cash flow necessary to fund future growth through capital investment and to repay debt. Funds from operations should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with IFRS.