



PRAIRIE STORM RESOURCES CORP. ANNOUNCES PROPOSED CHANGES IN ACCORDANCE WITH NEW CPC POLICY AND PROPOSED CHANGES TO ITS STOCK OPTION PLAN

CALGARY, AB, May 13, 2021 /CNW/ – Prairie Storm Resources Corp. (TSXV: PSEC) ("Prairie Storm" or the "Company") announces that in connection with recent changes to Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the "Exchange"), which became effective on January 1, 2021 (the "New CPC Policy"), the Company intends to seek the approval of the holders (the "Shareholders") of common shares of the Company (the "Common Shares") to implement certain contractual amendments to align with the New CPC Policy. The Company also announces that it intends to seek Shareholder approval of the amendment and restatement of its Stock Option Plan (as amended and restated, the "Amended and Restated Option Plan").

In accordance with the New CPC Policy, at the upcoming annual general and special meeting of Shareholders to be held on June 10, 2021 (the "Meeting"), disinterested Shareholders will be asked to authorize the Company to amend certain provisions of: (i) the escrow agreement dated December 15, 2020 among the Company, Computershare Investor Services Inc. and certain Shareholders (the "QT Escrow Agreement"); and (ii) the escrow agreement dated May 7, 2018 among the Company, Computershare Investor Services Inc. and certain Shareholders (the "IPO Escrow Agreement", and together with the QT Escrow Agreement, the "Escrow Agreements"). At the Meeting, the Company will also be seeking Shareholder approval of the Amended and Restated Option Plan.

The proposed amendments are described in further detail below and in the management information circular of the Company (the "Circular") to be mailed in connection with the Meeting, which will be filed on the Company's SEDAR profile at www.sedar.com.

Amendments to the Escrow Agreements

Disinterested Shareholders will be asked to approve separate ordinary resolutions (one in respect of the QT Escrow Agreement and the other in respect of the IPO Escrow Agreement) authorizing the Company to amend the provisions of the Escrow Agreements to reflect the escrow provisions provided for in the New CPC Policy. If approved, such amendments will reduce the length of the escrow period to which the Company's escrowed securities are subject to under the applicable Escrow Agreement from 36 months as provided for in the Exchange's Policy 2.4 – *Capital Pool Companies* (as at June 14, 2010) to 18 months as provided for in the New CPC Policy. Subject to disinterested Shareholder approval of the respective ordinary resolutions, the amendments will result in the Company's escrowed securities being released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final QT Exchange Bulletin (December 17, 2020)	25%
Date 6 months following Final QT Exchange Bulletin (June 17, 2021)	25%
Date 12 months following Final QT Exchange Bulletin (December 17, 2021)	25%
Date 18 months following Final QT Exchange Bulletin (June 17, 2022)	25%

In accordance with the New CPC Policy, the Company also plans to amend the QT Escrow Agreement (subject to disinterested Shareholder approval) to provide that all options granted prior to December 17, 2020 ("CPC Stock Options"), and all Common Shares issued upon exercise of CPC Stock Options issued prior to such date, will be released from escrow retroactively as of December 17, 2020, other than: (i) CPC Stock Options granted prior to the Company's initial public offering at an exercise price less than the issue price of Common Shares issued in the Company's initial public offering; and (ii) Common Shares issued pursuant to the exercise of such CPC Stock Options, which will be released from escrow in accordance with the 18 month escrow release schedule set out above.

Amended and Restated Option Plan

At the Meeting, Shareholders will also be asked to approve an ordinary resolution authorizing and approving the Amended and Restated Option Plan. The Amended and Restated Option Plan was adopted by the Company's board of directors on April 6, 2021, subject to Shareholder approval and the acceptance of the Exchange. The Exchange has conditionally accepted the Amended and Restated Option Plan, subject to receipt of Shareholder approval.

If such approvals are obtained, the Company's existing Stock Option Plan will be amended and restated to, among other things: (i) prescribe specific amendments to the Amended and Restated Option Plan, or any options awarded thereunder, that require Shareholder approval; (ii) clarify the types of amendments or revisions which will require approval of Shareholders or disinterested Shareholders, as applicable; (iii) include a participation limit for insiders as a group; (iv) accelerate stock option vesting in the event of a change of control; and (v) include certain other miscellaneous amendments. The foregoing amendments are more particularly described in the Circular and a copy of the Amended and Restated Option Plan is appended thereto.

About Prairie Storm Resources Corp.

Prairie Storm is a Canadian oil company focused on sustainable growth of its high netback, low decline oil assets through waterflood enhanced recovery methods and exploitation of the bioturbated Cardium formation. Prairie Storm has no debt and a positive working capital position. The shares of the Company trade on the TSX Venture Exchange under the symbol "PSEC".

FORWARD LOOKING-INFORMATION AND ADVISORIES

Forward-looking Information

This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities laws ("forward-looking information"). The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this news release contains forward-looking information pertaining to: statements with respect to the Meeting, the proposed changes arising from the New CPC Policy, the proposed amendments to the Company's Escrow

Agreements, and the Amended and Restated Option Plan. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Prairie Storm, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although Prairie Storm has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking information contained in this news release speaks only as of the date of this news release, and Prairie Storm does not assume any obligation to publicly update or revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

For further information: please visit the Company's SEDAR profile at www.sedar.com or contact: Hugh Ross, President & Chief Executive Officer, Telephone: (403) 774-2901 or; Julian Din, VP Business Development, Telephone: (403) 774-2904