



PRAIRIESKY RECOGNIZED AS A GLOBAL SUSTAINABILITY LEADER IN NEWLY RELEASED ESG RANKINGS

Calgary, Alberta (January 4, 2021)

PrairieSky Royalty Ltd. (TSX: PSK) ("PrairieSky" or the "Company"), Canada's leading energy royalty business, is pleased to announce that during 2020 it received high scores from several globally recognized rating agencies, including CDP and Sustainalytics, for demonstrating outstanding performance in environmental stewardship, social responsibility, and governance (ESG).

"As a leading Canadian royalty business, we understand the important role we play in taking action to support best practices in governance, social responsibility and environmental stewardship," said PrairieSky CEO Andrew Phillips. "The recognition by CDP and Sustainalytics, among others, is a testament to our leadership in this area and the importance our Board and the wider organization place on ESG as we execute our broader business strategy."

ESG Rankings 2020:

The following table highlights PrairieSky's key ratings and rankings achieved in 2020.

<u>Rating Agency</u>	<u>PrairieSky Score/Ranking</u>	<u>Description of Ranking</u>
CDP – Climate Change	A-	Top Quartile Globally within industry group
Sustainalytics ESG Risk (All Industries)	800 out of 12,826	Top 7% Globally
Sustainalytics ESG Risk (Oil and Gas Producers)	1 out of 274	Top Overall Globally
MSCI ESG Risk Ratings	A	Measurement of resilience to long-term, industry material environmental, social and governance risks on a relative ranking from AAA to CCC.
ISS Environmental Quality Score	1	Denotes highest possible score
ISS Social Quality Score	2	Denotes second highest possible score
Globe and Mail Governance Rankings	#41	Top Quartile, ranking 41 out of 211 companies in the S&P/TSX Composite Index assessing quality of governance practices.

CDP Highlights:

PrairieSky was awarded an A- rating in the 2020 CDP Climate Change survey results. A detailed and independent methodology is used by CDP, a recognized global leader in environmental reporting, with a full list of company scores available on the CDP website at <https://www.cdp.net/en/companies/companies-scores>.

An A- rating denotes global leadership and top quartile performance in our industry group as measured by CDP. Within the CDP ratings, PrairieSky received top “A” ratings for Governance, Risk Disclosure and Scope 1, 2 and 3 emissions, an improvement year over year as PrairieSky achieved “net zero” carbon emissions. Detailed information regarding PrairieSky’s environmental record, including an independent verification of carbon neutrality, can be viewed on PrairieSky’s website at <https://www.prairiesky.com/responsibility/our-approach/>.

CDP’s scoring methodology assesses companies on the comprehensiveness of their disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership. In 2020, over 515 investors holding over US\$106 trillion in assets and 150+ major purchasers with US\$4 trillion in procurement spend, requested companies to disclose through CDP’s platform. Over 9,600 companies responded to CDP’s survey, being the highest ever.

Sustainalytics Highlights:

PrairieSky was also recognized as a leader across all industries by Sustainalytics Company ESG Risk Ratings, ranking 800 out of 12,826 in Sustainalytics’ Global coverage universe, within the top 7% of rated companies. On an industry specific basis, PrairieSky ranked #1 among oil and gas producers. The Sustainalytics ESG Risk Ratings measure a company’s exposure to industry-specific material ESG risks and how well a company is managing those risks. Company specific information and ratings by Sustainalytics, including information regarding PrairieSky, are available at <https://www.sustainalytics.com/>.

ISS Environmental and Social Ratings:

Throughout 2020, PrairieSky engaged with ISS (Institutional Shareholder Services) and made comprehensive submissions in line with ISS’ ESG research questionnaire. Following this engagement and review by ISS, PrairieSky received a 1 rating on Environmental and a 2 rating on Social, being the highest and second highest rating, respectively, under ISS’ Quality Score ratings framework. ISS’ ESG ratings platform is designed to provide corporate and country ESG research and ratings to enable its clients to identify material social and environmental risks and opportunities.

Ongoing Sustainability Reporting and Diversity Initiatives:

PrairieSky includes comprehensive ESG disclosures in its annual Responsibility Report and other information contained on its website at <https://www.prairiesky.com/responsibility/our-approach/>. This includes our Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Reference Index, our Task Force on Climate-Related Financial Disclosures (TCFD) Report, our progress report on principles set forth in the UN Global Compact, and independent assurance statements verifying key environmental data, greenhouse gas emissions and other key performance indicators, all of which is available on PrairieSky’s website. PrairieSky intends to continually update its website and reporting documents to provide new and additional information to stakeholders, including a 2020 Responsibility Report by mid-year 2021, and additional TCFD and SASB Disclosures in 2021.

PrairieSky continues to be a leader in diversity and inclusion and is proud to have women in leadership roles at the Board, Executive and Senior Management level with over 75% of all employees across the organization comprised of women. In 2020, PrairieSky was honored as a *2020 Report on Business - Women Lead Here Recipient*, being one of 73 companies identified at the forefront of women in leadership positions and a providing a benchmark for gender diversity in corporate Canada. For more

information see <https://www.theglobeandmail.com/business/rob-magazine/article-introducing-the-2020-women-lead-here-honourees/>.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. The use of any of the words "expect", "anticipate", "may", "will", "should", "believe", "intends", and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this press release include PrairieSky providing new and additional information to stakeholders in 2021.

With respect to forward-looking statements contained in this press release, we have made several assumptions including that new and additional information will be provided and the timing thereof. Readers and investors are cautioned that the assumptions used in the preparation of such forward-looking information and statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control. The foregoing and other risks are described in more detail in PrairieSky's MD&A, and the Annual Information Form for the year ended December 31, 2019 under the headings "Risk Management" and "Risk Factors", respectively, each of which is available at www.sedar.com.

Further, any forward-looking statement is made only as of the date of this press release, and PrairieSky undertakes no obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for PrairieSky to predict all of these factors or to assess in advance the impact of each such factor on PrairieSky's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

ABOUT PRAIRIESKY ROYALTY LTD.

PrairieSky is a royalty-focused company, generating royalty revenues as petroleum and natural gas are produced from its properties. PrairieSky has a diverse portfolio of properties that have a long history of generating funds from operations and that represent the largest and most concentrated independently-owned fee simple mineral title position in Canada. PrairieSky's common shares trade on the Toronto Stock Exchange under the symbol PSK.

FOR FURTHER INFORMATION PLEASE CONTACT:

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