

## PrairieSky Announces Fourth Quarter and Year-End Results for 2024, Including Record Annual Oil Royalty Production and Increased Annual Dividend

CALGARY, Alberta, Feb. 10, 2025 (GLOBE NEWSWIRE) -- PrairieSky Royalty Ltd. ("PrairieSky" or the "Company") (TSX: PSK) is pleased to announce its fourth quarter and year-end operating and financial results for the period ended December 31, 2024. PrairieSky is also pleased to announce a 4% increase in its annual dividend policy to \$1.04 per common share (\$0.26 per common share quarterly).

### Fourth Quarter Highlights:

- Oil royalty production volumes averaged 13,317 barrels per day, a 4% increase over Q4 2023<sup>(1)</sup>, driven by strong third-party activity in the Mannville Stack<sup>(2)</sup> and Clearwater. Total royalty production averaged 24,982 BOE per day, a 2% decrease from Q4 2023 due to declines in natural gas and NGL production.
- Royalty production revenue of \$115.6 million combined with other revenue of \$20.0 million to generate total revenues of \$135.6 million for Q4 2024<sup>(1)</sup>. Other revenue included bonus consideration of \$15.8 million earned on entering into 60 new leasing arrangements focused on light and heavy oil targets across a number of different plays.
- Funds from operations totaled \$99.0 million or \$0.41 per share, 11% below Q4 2023 primarily due to lower natural gas benchmark pricing.
- Declared a fourth quarter dividend of \$59.9 million (\$0.25 per common share), representing a payout ratio of 61%.
- Completed \$31.5 million of both producing and non-producing royalty interest acquisitions primarily targeting light and heavy oil plays in Central Alberta and Saskatchewan. Acquisitions of producing assets (50 BOE per day) closed in late December 2024.

### Annual Highlights:

- Record annual oil royalty production volumes averaged 13,125 barrels per day, a 6% increase over YE 2023<sup>(1)</sup>. Total royalty production averaged 25,186 BOE per day, a 1% increase over YE 2023 as higher oil royalty volumes were partially offset by lower natural gas and NGL royalty volumes due to shut-ins and declines related to weak benchmark natural gas pricing.
- Royalty production revenue of \$465.8 million combined with other revenue of \$43.4 million to generate total revenues of \$509.2 million for YE 2024<sup>(1)</sup>. Other revenue included bonus consideration of \$30.8 million earned on entering into 219 new leasing arrangements focused on light and heavy oil targets across a number of different plays.
- Funds from operations totaled \$380.5 million or \$1.59 per share, 1% below YE 2023.
- Corporate proved plus probable reserves totaled 63,653 MBOE relative to 65,762 MBOE at December 31, 2023. Proved plus probable oil reserves totaled 26,620 Mbbl, a 3.5% increase over the prior year primarily due to drilling extensions in the Clearwater, Duvernay and Mannville light and heavy oil plays.
- Declared cumulative annual dividends of \$239.0 million (\$1.00 per common share), representing a payout ratio of 63%.
- Completed \$57.3 million of both producing and non-producing royalty interest acquisitions primarily targeting light and heavy oil plays in Central Alberta and Saskatchewan.
- Net debt totaled \$134.9 million as at December 31, 2024, a decrease of \$87.2 million or 39% since December 31, 2023.

### Dividend Increase:

- PrairieSky is pleased to announce a 4% increase in its annual dividend policy to \$1.04 per common share, to be paid on a quarterly basis (\$0.26 per common share quarterly). Subject to the approval of the Board of Directors, the first quarterly dividend of \$0.26 per common share is expected to be effective for the March 31, 2025 record date.

### President's Message

Oil royalty production averaged 13,317 barrels per day in Q4 2024 and drove funds from operations which totaled \$99.0 million (\$0.41 per share). These results capped off a strong 2024 with annual funds from operations of \$380.5 million (\$1.59 per share) and record annual oil royalty production of 13,125 barrels per day, a 6% increase over YE 2023. The growth in oil royalty volumes is a direct result of our strategy of investing in royalties in low-cost oil plays. For 2024, oil royalty production from the Clearwater and Mannville Stack plays represented 21% of total oil royalty production, up from 17% in 2023. The momentum in these plays is expected to continue into 2025 and beyond. We have also seen strong initial results from new wells on our West Shale Duvernay acreage as well as incremental well licensing, which we expect to provide growth in high netback light oil volumes in 2025.

Third-party operators spud 205 wells on PrairieSky's royalty acreage during Q4 2024, an increase from 197 wells spud in Q4 2023. The average royalty rate for wells spud in the quarter was 6.2% (Q4 2023 - 7.2%). There were 46 wells spud in the Clearwater, a 5% increase over Q4 2023, with an additional 13 wells spud in the Mannville Stack in the quarter. This brought 2024 annual spuds on PrairieSky's royalty properties to 741 wells, as compared to 805 wells in 2023, with an average royalty rate of 5.9% (2023 - 7.2%). Multi-lateral drilling continues to increase on our lands accounting for 77 of the spuds in the quarter and bringing 2024 annual multi-lateral drilling to 36% of the activity on

our royalty lands versus 31% in YE 2023. Increased multi-lateral drilling activity helped drive the 3.5% increase in proved plus probable oil reserves to 26,620 Mboe. Corporate proved plus probable reserves decreased to 63,653 MBOE primarily due to lower natural gas pricing impacting both the level of activity in 2024 and future economics.

Strong oil royalty volumes generated royalty revenue of \$100.0 million and represented 87% of total royalty production revenue of \$115.6 million for Q4 2024. Natural gas royalty production of 55.1 MMcf per day and NGL royalty production of 2,482 barrels per day decreased 9% and 8% in the quarter, respectively, as compared to Q4 2023 due to lower third-party drilling activity driven by weak natural gas benchmark pricing with daily AECO index pricing averaging \$1.48 per Mcf. Natural gas royalty revenue totaled \$6.3 million and NGL royalty revenue totaled \$9.3 million in the quarter. Total royalty production averaged 24,982 BOE per day in Q4 2024, 2% lower than Q4 2023. PrairieSky's annual total royalty production averaged 25,186 BOE per day, 1% ahead of YE 2023, and generated annual royalty production revenue of \$465.8 million, 2% behind YE 2023.

Leasing continued to be busy across a number of oil plays including the Duvernay, Mannville and Mannville Stack. Our team issued 60 new leases to 47 separate counterparties and earned \$15.8 million in lease bonus consideration in the quarter, which included non-cash consideration of \$8.2 million for certain leases that were exchanged for a non-producing gross overriding royalty interest targeting Mannville heavy oil with polymer enhanced oil recovery<sup>(3)</sup> potential. For YE 2024, lease bonus consideration totaled \$30.8 million from issuing 219 new leases to 101 separate counterparties, the second highest number of leases issued in a single year as third-party operators looked to build out their drilling inventories.

In addition to active leasing in the quarter, PrairieSky acquired \$31.5 million of incremental producing and non-producing royalty interests focused on heavy and light oil plays in Central Alberta and Saskatchewan. Acquisitions of producing assets, approximately 50 BOE per day, closed in late December 2024. PrairieSky also entered into an arrangement with a third-party operator to provide a letter of credit which secured their bank facility in order to provide capital to the operator to advance its Montney oil drilling program where PrairieSky has a royalty interest. The letter of credit is secured by a debenture over certain of the third-party operator's assets. For YE 2024, acquisitions of producing and non-producing royalty properties totaled \$57.3 million and were focused on heavy and light oil plays in Central Alberta and Saskatchewan. On January 10, 2025, PrairieSky completed an acquisition of fee lands, lessor interests and gross overriding royalty interests primarily in Central Alberta and Southeast Saskatchewan for cash consideration of \$50 million, before customary closing adjustments. The acquisition is expected to add approximately 350 BOE per day of production (65% liquids).

PrairieSky declared a dividend of \$0.25 per share or \$59.9 million in the quarter with a resulting payout ratio of 61%. Excess funds from operations, after the payment of the dividend and acquisitions, were used to reduce PrairieSky's net debt which totaled \$134.9 million at December 31, 2024, a decrease of \$87.2 million from December 31, 2023. During the quarter, PrairieSky amended its credit facility, voluntarily reducing it to \$350 million from \$725 million. The credit facility provides for a permitted increase up to \$600 million, subject to lender consent. Management believes PrairieSky's high margin, low-cost business model is uniquely suited to provide sustainable returns to shareholders through all commodity price cycles and we are pleased to announce a 4% increase to our annual dividend policy to \$1.04 per common share annually (\$0.26 per share quarterly). Subject to the approval of the Board of Directors, the first quarterly dividend of \$0.26 per common share is expected to be effective for the March 31, 2025 record date.

The level of activity on our land base and cash flow generation underscores the benefits of our strategy of investing in low-cost oil plays and the optionality of owning fee mineral title acreage. I am very pleased with our 2024 annual results and the trajectory of the business. I would like to thank our staff for their hard work throughout the year and our shareholders for their continued support.

Andrew Phillips, President & CEO

## ACTIVITY ON PRAIRIESKY'S ROYALTY PROPERTIES

Third-party operators continued to be active across PrairieSky's land base in Q4 2024. There were 205 wells spud (97% oil wells) in the quarter which included 114 wells on GORR acreage, 80 wells on Fee Lands, and 11 unit wells. There were a total of 198 oil wells spud during the quarter which included 55 Mannville light and heavy oil wells, 46 Clearwater wells, 28 Viking wells, 22 Mississippian wells, 17 Bakken wells and 30 additional oil wells spud in the Belly River, Cardium, Charlie Lake, Devonian, Duvernay, Montney, Nisku, and Triassic formations. There were 3 Montney natural gas wells spud in Q4 2024 as well as additional gas wells in the Mannville and Viking formations. PrairieSky's average royalty rate for wells spud in Q4 2024 was 6.2% (Q4 2023 - 7.2%). 2024 annual spuds on PrairieSky's royalty properties totaled 741 wells, as compared to 805 wells in 2023, with an average royalty rate of 5.9% (2023 - 7.2%).

For YE 2024, PrairieSky estimates that \$1.9 billion (net - \$93 million) in third-party capital was spent drilling and completing wells on PrairieSky's royalty properties, a decrease from \$2.0 billion (net capital - \$112 million) in YE 2023. Activity on PrairieSky's lands drove a 3.5% increase in proved plus probable oil reserves as discussed further below.

## ANNUAL DIVIDEND INCREASED 4% TO \$1.04 PER SHARE

PrairieSky is pleased to announce a 4% increase in its annual dividend policy to \$1.04 per common share in 2025, to be paid on a quarterly basis. Subject to the approval of the Board of Directors, the first quarterly dividend of \$0.26 per common share is expected to be effective for the March 31, 2025 record date. In determining changes to the dividend policy, the Board of Directors considers a number of factors including current and projected activity levels on PrairieSky's royalty lands, the current commodity price environment, the working capital and bank debt balance and net earnings of the Company.

## 2024 RESERVES INFORMATION

PrairieSky's proved plus probable oil reserves increased 3.5% to 26,620 MBOE at December 31, 2024, as drilling extensions and improved recoveries outpaced annual production. PrairieSky's corporate proved plus probable reserves totaled 63,653 MBOE at December 31, 2024 (December 31, 2023 - 65,762 MBOE). Proved plus probable reserves decreased from 2023, with positive year over year changes to oil reserves outpaced by declines in natural gas and NGL reserves, primarily as a result of lower natural gas pricing impacting both activity on the royalty properties in 2024 and the future economics of certain natural gas plays using the pricing assumptions at December 31, 2024. The increase in oil proved plus probable reserves drove a 5% increase in the before-tax net present value of total proved plus probable

reserves, discounted at 10%, to \$1.93 billion (2023 – \$1.84 billion). Changes to proved plus probable reserves comprised of additions related to third-party drilling and improved recovery (7,131 MBOE), technical additions (624 MBOE) and acquisitions (205 MBOE) less 2024 royalty production volumes of 9,218 MBOE and economic factors (851 MBOE). PrairieSky's proved plus probable reserves include only developed assets (developed producing and developed non-producing properties) and do not include any future development capital on undeveloped lands.

PrairieSky's YE 2024 reserves were evaluated by independent reserves evaluators GLJ Ltd. The evaluation of PrairieSky's royalty properties was done in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. PrairieSky's reserves information is included in the Company's Annual Information Form for the year ended December 31, 2024, which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

## 2025 INVESTOR DAY

PrairieSky will be hosting an investor day on May 14, 2025, in Calgary, Alberta, where members of PrairieSky's management team will present details on the Company's oil and natural gas plays. The investor day will be webcast starting at 9:30 a.m. MDT (11:30 a.m. EDT). Interested parties may participate in the webcast which will be available through PrairieSky's investor center at [www.prairiesky.com](http://www.prairiesky.com). The webcast will be archived and accessible for replay after the event.

## NOTES AND REFERENCES

(1) In this press release, the financial reporting periods are referred to as follows: "Q4 2024" or "the quarter" refers to the three months ended December 31, 2024; "YE 2024" or "the year" refers to the year ended December 31, 2024; "Q4 2023" and "YE 2023" refer to the three months and year ended December 31, 2023, respectively.

(2) For further details on the "Mannville Stack", we refer you to PrairieSky's most recent Corporate Presentation contained on PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

(3) "enhanced oil recovery" means the extraction of additional crude oil, natural gas, and related substances from reservoirs through a production process other than natural depletion; includes both secondary and tertiary recovery processes such as pressure maintenance, cycling, waterflooding, thermal methods, chemical flooding, and using miscible and immiscible displacement fluids.

Unless otherwise indicated or the context otherwise requires, terms used in this press release but not defined above are as defined in the Company's Annual Information Form for the year ended December 31, 2024 which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

## FINANCIAL AND OPERATIONAL INFORMATION

The following table summarizes select operational and financial information of the Company for the periods noted. All dollar amounts are stated in Canadian dollars unless otherwise noted.

A full version of PrairieSky's management's discussion and analysis ("MD&A") and annual audited consolidated financial statements and notes thereto for the fiscal period ended December 31, 2024 is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

	Three months ended			Year ended	
	December 31	September 30	December 31	December 31	December 31
(\$ millions, except per share or as otherwise noted)	2024	2024	2023	2024	2023
<b>FINANCIAL</b>					
Revenues	135.6	117.3	136.6	509.2	513.2
Funds from operations	99.0	92.4	111.1	380.5	382.5
Per share - basic and diluted <sup>(1)</sup>	0.41	0.39	0.46	1.59	1.60
Net earnings	60.2	47.3	67.4	215.3	227.6
Per share - basic and diluted <sup>(1)</sup>	0.25	0.20	0.28	0.90	0.95
Dividends declared <sup>(2)</sup>	59.9	59.7	57.3	239.0	229.2
Per share	0.25	0.25	0.24	1.00	0.96
Dividend payout ratio <sup>(3)</sup>	61%	65%	52%	63%	60%
Acquisitions - including non-cash consideration <sup>(4)</sup>	31.5	4.7	22.2	57.3	58.4
Net debt <sup>(5)</sup>	134.9	149.6	222.1	134.9	222.1

Shares outstanding					
Shares outstanding at period end	<b>239.0</b>	239.0	239.0	<b>239.0</b>	239.0
Weighted average - basic and diluted	<b>239.0</b>	239.0	239.0	<b>239.0</b>	239.0

## OPERATIONAL

### Royalty production volumes

Crude oil (bbls/d)	<b>13,317</b>	12,733	12,844	<b>13,125</b>	12,438
NGL (bbls/d)	<b>2,482</b>	2,189	2,697	<b>2,378</b>	2,502
Natural gas (MMcf/d)	<b>55.1</b>	57.0	60.4	<b>58.1</b>	59.5
Royalty Production (BOE/d) <sup>(6)</sup>	<b>24,982</b>	24,422	25,608	<b>25,186</b>	24,857

### Realized pricing

Crude oil (\$/bbl)	<b>81.66</b>	85.90	83.27	<b>84.12</b>	82.52
NGL (\$/bbl)	<b>40.68</b>	41.10	46.07	<b>43.28</b>	47.60
Natural gas (\$/Mcf)	<b>1.23</b>	0.50	2.19	<b>1.13</b>	2.60
Total (\$/BOE) <sup>(6)</sup>	<b>50.30</b>	49.63	51.78	<b>50.53</b>	52.31

<b>Operating netback per BOE<sup>(7)</sup></b>	<b>45.86</b>	46.65	48.68	<b>45.82</b>	46.32
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<b>Funds from operations per BOE</b>	<b>43.07</b>	41.12	47.16	<b>41.28</b>	42.16
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### Oil price benchmarks

West Texas Intermediate (WTI) (US\$/bbl)	<b>70.27</b>	75.10	78.32	<b>75.72</b>	77.62
Edmonton light sweet (\$/bbl)	<b>94.90</b>	97.77	99.72	<b>97.55</b>	100.46
Western Canadian Select (WCS) crude oil differential to WTI (US\$/bbl)	<b>(12.55)</b>	(13.55)	(21.89)	<b>(14.76)</b>	(18.65)

### Natural gas price benchmarks

AECO Monthly Index (\$/Mcf)	<b>1.46</b>	0.81	2.66	<b>1.44</b>	2.93
AECO Daily Index (\$/Mcf)	<b>1.48</b>	0.69	2.30	<b>1.46</b>	2.64

Foreign exchange rate (US\$/CAD\$)	<b>0.7147</b>	0.7341	0.7343	<b>0.7299</b>	0.7410
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(1) Funds from operations and net earnings per share are calculated using the weighted average number of basic and diluted common shares outstanding.

(2) A dividend of \$0.25 per share was declared on December 3, 2024. The dividend was paid on January 15, 2025 to shareholders of record as at December 31, 2024.

(3) Dividend payout ratio is defined under the "Non-GAAP Measures and Ratios" section of this press release.

(4) Excluding right-of-use asset additions.

(5) See Note 16 "Capital Management" in the annual audited consolidated financial statements for the years ended December 31, 2024 and 2023 and Note 14 "Capital Management" in the interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023.

(6) See "Conversions of Natural Gas to BOE".

(7) Operating netback per BOE is defined under the "Non-GAAP Measures and Ratios" section of this press release.

## CONFERENCE CALL DETAILS

A conference call to discuss the results will be held for the investment community on Tuesday, February 11, 2025, beginning at 6:30 a.m. MST (8:30 a.m. EST). To participate in the conference call, you are asked to register at one of the links provided below. Details regarding the call will be provided to you upon registration.

### Live call participant registration

URL: <https://register.vevent.com/register/Blec7e34fab05745059bfdbddfab97dbdb>

### Live webcast participant registration (listen in only)

URL: <https://edge.media-server.com/mmc/p/xfyj3o3u>

## FORWARD-LOOKING STATEMENTS

This press release includes certain forward-looking information and forward-looking statements (collectively, "forward-looking statements") which may include, but are not limited to PrairieSky's future plans, current expectations and views of future operations and contains forward-looking statements that the Company believes allow readers to better understand the Company's business and prospects. The use of any of the words "expect", "expected to", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions (including negative variations) are intended to identify forward-looking information or statements. Forward-looking statements contained in this press release include, but are not limited to, estimates regarding

our expectations with respect to PrairieSky's business and growth strategy and trajectory, including the benefits of the Company's strategy of investing in low-cost oil plays and the optionality of owning fee mineral title acreage, the expectation that the production growth momentum in the Clearwater and Mannville Stack heavy oil plays will continue, the expectation that incremental well licensing in the Duvernay play will provide growth in high netback light oil volumes in 2025 and the expectation that, subject to approval of the Board of Directors, PrairieSky will declare a quarterly dividend of \$0.26 per common share for shareholders of record on March 31, 2025.

With respect to forward-looking statements contained in this press release, PrairieSky has made several assumptions including those described in detail in our MD&A and the Annual Information Form for the year ended December 31, 2024. 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. PrairieSky's actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. PrairieSky can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits the Company will derive from them.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond PrairieSky's control, including the impact of general economic conditions including inflation, industry conditions, volatility of commodity prices, lack of pipeline capacity, currency fluctuations, increasing interest rates, imprecision of reserve estimates, competitive factors impacting royalty rates, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, political and geopolitical instability, the imposition of any tariffs or other restrictive trade measures or countermeasures affecting trade between Canada and the United States and the Company's ability to access sufficient capital from internal and external sources. In addition, PrairieSky is subject to numerous risks and uncertainties in relation to acquisitions. These risks and uncertainties include risks relating to the potential for disputes to arise with counterparties, and limited ability to recover indemnification under certain agreements. The foregoing and other risks, uncertainties and assumptions are described in more detail in PrairieSky's MD&A, and the Annual Information Form for the year ended December 31, 2024 under the headings "Risk Management" and "Risk Factors", respectively, each of which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.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.**

## CONVERSIONS OF NATURAL GAS TO BOE

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (BOE). PrairieSky uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

## NON-GAAP MEASURES AND RATIOS

Certain measures and ratios in this document do not have any standardized meaning as prescribed by IFRS and, therefore, are considered non-GAAP measures and ratios. These measures and ratios may not be comparable to similar measures and ratios presented by other issuers. These measures and ratios are commonly used in the oil and natural gas industry and by PrairieSky to provide potential investors with additional information regarding the Company's liquidity and its ability to generate funds to conduct its business. Non-GAAP measures and ratios include operating netback per BOE and dividend payout ratio. Management's use of these measures and ratios is discussed further below. Further information can be found in the Non-GAAP Measures and Ratios section of PrairieSky's MD&A for the year ended December 31, 2024 and 2023.

"Operating netback per BOE" represents the cash margin for products sold on a BOE basis. Operating netback per BOE is calculated by dividing the operating netback (royalty production revenue less production and mineral taxes and cash administrative expenses) by the average daily production volumes for the period. Operating netback per BOE is used to assess the cash generating and operating performance per unit of product sold and the comparability of the underlying performance between years. Operating netback per BOE measures are commonly used in the oil and natural gas industry to assess performance comparability. Refer to the Operating Results table on page 7 of PrairieSky's MD&A for the year ended December 31, 2024 and 2023 and page 7 of PrairieSky's MD&A for the three and nine months ended September 30, 2024 and 2023.

(\$ millions)	Three months ended			Year ended	
	December 31	September 30	December 31	December 31	December 31
	2024	2024	2023	2024	2023
Cash from operating activities	91.3	109.6	128.0	379.9	318.9
Other revenue	(20.0)	(5.8)	(14.6)	(43.4)	(38.6)
Other revenue - non-cash	8.2	-	-	8.2	0.5
Amortization of debt issuance costs	(0.2)	(0.1)	(0.1)	(0.5)	(0.4)
Finance expense	2.3	2.7	3.9	12.2	17.5
Current tax expense	16.2	15.6	14.4	65.5	58.8



Interest on lease obligation	(0.1)	-	-	(0.1)	-
Net change in non-cash working capital	7.7	(17.2)	(16.9)	0.6	63.6
<b>Operating netback</b>	<b>105.4</b>	<b>104.8</b>	<b>114.7</b>	<b>422.4</b>	<b>420.3</b>

"Operating Margin" represents operating netback as a percentage of royalty production revenue. Management uses this measure to demonstrate the comparability between the Company and production and exploration companies in the oil and natural gas industry as it shows net revenue generation from operations.

(\$ millions)	Three months ended			Year ended	
	December 31	September 30	December 31	December 31	December 31
	2024	2024	2023	2024	2023
Royalty production revenue	115.6	111.5	122.0	465.8	474.6
Operating netback	105.4	104.8	114.7	422.4	420.3
<b>Operating margin</b>	<b>91%</b>	<b>94%</b>	<b>94%</b>	<b>91%</b>	<b>89%</b>

"Dividend payout ratio" is calculated as dividends declared as a percentage of funds from operations. Payout ratio is used by dividend paying companies to assess dividend levels in relation to the funds generated and used in operating activities.

(\$ millions, except otherwise noted)	Three months ended			Year ended	
	December 31	September 30	December 31	December 31	December 31
	2024	2024	2023	2024	2023
Funds from operations	99.0	92.4	111.1	380.5	382.5
Dividends declared	59.9	59.7	57.3	239.0	229.2
<b>Dividend payout ratio</b>	<b>61%</b>	<b>65%</b>	<b>52%</b>	<b>63%</b>	<b>60%</b>

## ABOUT PRAIRIESKY ROYALTY LTD.

PrairieSky is a royalty company, generating royalty production revenues as oil 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 consolidated independently-owned fee simple mineral title position in Canada. PrairieSky's common shares trade on the Toronto Stock Exchange under the symbol PSK.

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PDF available:

## Attachment Preview:

PrairieSky\_2024YE-PR\_2025-02-10

PrairieSky Royalty Ltd.

**File Size:** 702.98 KB

**File Type:** .HTML

**File Name:** PrairieSky\_2024YE-PR\_2025-02-10.html

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