

PRAIRIESKY ANNOUNCES THIRD QUARTER 2025 RESULTS

Calgary, Alberta (October 20, 2025)

PrairieSky Royalty Ltd. ("PrairieSky" or the "Company") (TSX: PSK) is pleased to announce its third quarter operating and financial results for the period ended September 30, 2025.

Third Quarter Highlights

- Oil royalty production increased 11% over Q3 2024⁽¹⁾ averaging 14,127 barrels per day. Total royalty production averaged 25,687 BOE per day, a 5% increase over Q3 2024.
- Royalty production revenue totaled \$107.7 million and combined with other revenue of \$7.1 million to bring total revenues to \$114.8 million for Q3 2025⁽¹⁾. Other revenue included bonus consideration of \$4.8 million earned on entering into 44 new leasing arrangements.
- Funds from operations totaled \$90.0 million or \$0.38 per share, a decrease of 3% from Q3 2024 primarily due to a 14% decline in US\$ WTI benchmark pricing.
- Declared a third quarter dividend of \$60.5 million (\$0.26 per share), representing a dividend payout ratio of 67%.
- Purchased and cancelled 2,739,587 common shares under the Company's normal course issuer bid ("NCIB") for \$66.5 million, bringing year-to-date purchases under the NCIB to 6,239,507 common shares for \$158.5 million.
- Completed acquisitions for \$9.9 million, primarily of producing and non-producing fee lands and gross overriding royalty interests targeting Mannville heavy oil and Duvernay light oil.
- Net debt totaled \$281.7 million at September 30, 2025, an increase of \$39.7 million from June 30, 2025.

Director Appointment

- PrairieSky is pleased to announce that Ian Dundas has been appointed to the Board of Directors effective January 1, 2026.

President's Message

Oil royalty production volumes increased 11% over Q3 2024, averaging 14,127 barrels per day in Q3 2025, bringing year-to-date oil royalty production to 14,004 barrels per day, a 7% increase over YTD 2024⁽¹⁾. Growth in oil royalty production was driven by multiple Duvernay light oil wells in the West Shale Basin⁽²⁾. Third-party operators continue to be active in the Duvernay play and there were an incremental 16 wells spud on PrairieSky royalty properties in the quarter. Oil royalty production from the Clearwater reached over 2,500 barrels per day representing a compounded annual growth rate of 19% since Q1 2022 with the play benefiting from a strong pace of development combined with the application of waterfloods which have mitigated declines. With an estimated 40% of PrairieSky's Clearwater royalty production now under waterflood, the play continues to support low declines at a corporate level. Multilateral horizontal drilling continues to have an increasing contribution to total activity, with a record 105 multilateral wells spud in the quarter, including 57 in the Clearwater and 20 in the Mannville Stack. Year to date, multilateral wells have represented 40% of total spuds across our land base, up from 36% in 2024.

During Q3 2025, strong royalty production volumes of 25,687 BOE per day generated total royalty production revenue of \$107.7 million and drove funds from operations of \$90.0 million (\$0.38 per share). Oil royalty production revenue totaled \$97.8 million, a 3% decrease from Q3 2024 as weaker US\$ WTI benchmark pricing offset increased oil royalty production volumes of 14,127 barrels per day and narrowed light and heavy oil differentials. Natural gas royalty production revenue decreased 4% from Q3 2024 due to a combination of lower royalty production volumes, which averaged 56.1 MMcf per day, and challenging natural gas benchmark pricing. NGL royalty production averaged 2,210 barrels per day, consistent with Q3 2024, and generated total NGL royalty production revenue of \$7.4 million in the quarter, a decrease of 10% due to lower benchmark pricing. Other revenues contributed \$7.1 million to funds from operations. Other revenues included bonus consideration of \$4.8 million earned on entering into 44 new leases with 37 separate counterparties as third-party operators added acreage to their drilling inventories across a number of oil plays in Alberta and Saskatchewan.

During Q3 2025, PrairieSky declared a dividend of \$0.26 per share or \$60.5 million with a resulting payout ratio of 67% with funds from operations after payment of the dividend allocated to acquisitions and share repurchases. Acquisitions included incremental fee lands and gross overriding royalty interests primarily targeting Mannville heavy oil and Duvernay light oil, as well as complementary seismic, for \$9.9 million. PrairieSky repurchased and cancelled 2,739,587 common shares for \$66.5 million. Year-to-date, PrairieSky has repurchased and cancelled 6,239,507 common shares for \$158.5 million. PrairieSky exited the quarter with net debt of \$281.7 million.

We are pleased to welcome Ian Dundas to the Board of Directors. We believe his experience and knowledge of the energy industry further strengthens our leadership team. We look forward to Ian's contributions as we execute on our strategy. Thank you to our staff for their hard work in the quarter and our shareholders for their continued support.

Andrew Phillips, President & CEO

ACTIVITY ON PRAIRIESKY'S ROYALTY PROPERTIES

Third-party operators spud 201 wells on PrairieSky's royalty acreage at an average royalty rate of 5.1%, as compared to 247 wells spud in Q3 2024 at an average royalty rate of 5.3%. Spuds were comprised of 101 wells on gross overriding royalty acreage, 78 wells on fee lands and 22 unit wells. There were a total of 183 oil wells (91% of wells) spud during the quarter which included 57 Clearwater wells, 46 Mannville light and heavy oil wells, 33 Viking wells, 18 Mississippian wells, 11 Duvernay wells, and 18 additional oil wells across Alberta, Saskatchewan and Manitoba. There were 18 natural gas wells spud in the quarter including 7 Montney wells, 6 Mannville wells and 5 Duvernay wells.

DIRECTOR APPOINTMENT

PrairieSky is pleased to announce the appointment of Ian Dundas to the Board of Directors effective January 1, 2026. Mr. Dundas brings over 25 years of oil and gas industry experience to the Board. He currently serves as a Director of Chord Energy and previously served as a Director and President and Chief Executive Officer of Enerplus Corporation. Mr. Dundas holds a Bachelor of Commerce with Distinction from the University of Calgary and a Bachelor of Laws with Distinction from the University of Alberta. He was called to the Alberta Bar in 1995.

NOTES AND REFERENCES

- (1) In this press release, the financial reporting periods are referred to as follows: "Q3 2025", "the quarter" or the "the third quarter" refers to the three months ended September 30, 2025; "Q3 2024" refers to the three months ended September 30, 2024. "YTD 2024" refers to the nine months ended September 30, 2024.
- (2) For further details on the "Mannville Stack" and "West Shale Basin", we refer you to PrairieSky's most recent Corporate Presentation contained on PrairieSky's website at www.prairiesky.com.

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 and PrairieSky's website at 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 unaudited interim condensed consolidated financial statements and notes thereto for the fiscal period ended September 30, 2025 are available on SEDAR+ at www.sedarplus.com and PrairieSky's website at www.prairiesky.com.

(\$ millions, except \$ per share or as otherwise noted)	Three months ended			Nine months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
FINANCIAL					
Royalty production revenue	107.7	111.2	111.5	338.8	350.2
Other revenue	7.1	12.4	5.8	27.7	23.4
Revenues	114.8	123.6	117.3	366.5	373.6
Funds from operations	90.0	96.7	92.4	272.5	281.5
Per share - basic and diluted ⁽¹⁾	0.38	0.41	0.39	1.15	1.18
Net earnings	45.9	56.3	47.3	160.6	155.1
Per share - basic and diluted ⁽¹⁾	0.20	0.24	0.20	0.68	0.65
Dividends declared ⁽²⁾	60.5	61.2	59.7	182.9	179.1
Per share	0.26	0.26	0.25	0.78	0.75
Dividend payout ratio ⁽³⁾	67%	63%	65%	67%	64%
Acquisitions ⁽⁴⁾	9.9	6.5	4.7	80.0	25.8
Net debt ⁽⁵⁾	281.7	242.0	149.6	281.7	149.6
Common share repurchases, inclusive of all costs	67.9	2.0	-	161.7	-
Shares outstanding (millions)					
Shares outstanding at period end	232.7	235.5	239.0	232.7	239.0
Weighted average - basic and diluted	234.5	235.5	239.0	236.1	239.0
OPERATIONAL					
Royalty production volumes					
Crude oil (bbls/d)	14,127	14,376	12,733	14,004	13,061
NGL (bbls/d)	2,210	2,348	2,189	2,358	2,343
Natural gas (MMcf/d)	56.1	58.4	57.0	56.8	59.1
Royalty Production (BOE/d) ⁽⁶⁾	25,687	26,457	24,422	25,829	25,254
Realized pricing					
Crude oil (\$/bbl)	75.30	73.16	85.90	77.07	84.97
NGL (\$/bbl)	36.29	35.47	41.10	38.91	44.20
Natural gas (\$/Mcf)	0.48	1.50	0.50	1.24	1.10
Total (\$/BOE) ⁽⁶⁾	45.57	46.19	49.63	48.05	50.61
Operating netback per BOE (\$)⁽⁷⁾	42.18	43.04	46.65	42.69	45.81
Funds from operations per BOE (\$)	38.08	40.16	41.12	38.65	40.68
Oil price benchmarks					
West Texas Intermediate (WTI) (US\$/bbl)	64.93	63.76	75.10	66.70	77.54
Edmonton light sweet (\$/bbl)	86.39	84.24	97.77	88.65	98.41
Western Canadian Select (WCS) crude oil differential to WTI (US\$/bbl)	(10.39)	(10.27)	(13.55)	(11.11)	(15.50)
Natural gas price benchmarks					
AECO Monthly Index (\$/Mcf)	1.00	2.07	0.81	1.70	1.43
AECO Daily Index (\$/Mcf)	0.63	1.69	0.69	1.50	1.45
Foreign exchange rate (US\$/CAD\$)	0.7260	0.7228	0.7341	0.7149	0.7354

(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 \$0.26 per share was declared on September 8, 2025. The dividend will be paid on October 15, 2025 to shareholders of record as at September 29, 2025.

(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 12 "Capital Management" in the interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 and Note 12 "Capital Management" in the interim condensed consolidated financial statements for the three and six months ended June 30, 2025 and 2024.

(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, October 21, 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-conf.media-server.com/register/Blaba43cb9293745c9931d739ff67b042a>

Live webcast participant registration (listen in only)

URL: <https://edge.media-server.com/mmc/p/3f4degqf>

FORWARD-LOOKING STATEMENTS

This press release includes certain forward-looking information and forward-looking statements within the meaning of applicable Canadian securities legislation (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. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "expect", "expected to", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "could", "likely", "believe", "plans", "intends", "strategy" and similar expressions (including negative variations) are intended to identify forward-looking statements. No assurance can be given that these plans, expectations and/or views will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this news release. Forward-looking statements contained in this press release include, but are not limited to, our expectations with respect to PrairieSky's business, growth strategy and trajectory, including the expectation of receiving continued royalty production from multiple royalty interest wells in the Clearwater, Mannville Stack and Duvernay plays; management's expectation that the level of third-party activity on PrairieSky's royalty lands will continue to drive annual royalty production growth; increasing multilateral horizontal drilling continuing to contribute to total drilling activity across our land base; and PrairieSky's expectations to execute on our long-term capital allocation strategy to create value for shareholders including, but not limited to, purchasing and cancelling common shares under the Company's NCIB and the sustainability of the dividend and the dividend payout ratio.

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 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 but not limited to the impact of general economic conditions including inflation, industry conditions, volatility of commodity prices, lack of or access to sufficient pipeline capacity, currency fluctuations, 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 risks and impacts of tariffs imposed between Canada and the United States (and other countries) or other restrictive trade measures, retaliatory or countermeasures implemented by such governments affecting trade between Canada and the United States (and other countries), including the potential introduction of regulatory barriers to trade and the effect on the demand and/or market price for commodities, inaccurate expectations for industry drilling levels on our royalty lands 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 and PrairieSky's website at 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 press release 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 press release 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 three and nine months ended September 30, 2025 and 2024 and PrairieSky's MD&A for the three and six months ended June 30, 2025 and 2024.

"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 starting on page 7 of PrairieSky's MD&A for the three and nine months ended September 30, 2025 and 2024 and page 6 of PrairieSky's MD&A for the three and six months ended June 30, 2025 and 2024.

(\$ millions)	Three months ended			Nine months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
Cash from operating activities	92.4	90.3	109.6	273.4	288.6
Other revenue	(7.1)	(12.4)	(5.8)	(27.7)	(23.4)
Amortization of debt issuance costs	(0.2)	(0.1)	(0.1)	(0.4)	(0.3)
Finance expense	3.5	3.0	2.7	9.4	9.9
Current tax expense	13.5	16.5	15.6	47.3	49.3
Interest on lease obligation	-	(0.1)	-	(0.1)	-
Net change in non-cash working capital	(2.4)	6.4	(17.2)	(0.9)	(7.1)
Operating netback	99.7	103.6	104.8	301.0	317.0

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

(\$ millions, except otherwise noted)	Three months ended			Nine months ended	
	September 30 2025	June 30 2025	September 30 2024	September 30 2025	September 30 2024
Funds from operations	90.0	96.7	92.4	272.5	281.5
Dividends declared	60.5	61.2	59.7	182.9	179.1
Dividend payout ratio	67%	63%	65%	67%	64%

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 mineral title position in Canada. PrairieSky's common shares trade on the Toronto Stock Exchange under the symbol PSK.

FOR FURTHER INFORMATION PLEASE CONTACT:

Andrew M. Phillips
President & Chief Executive Officer
 PrairieSky Royalty Ltd.
 (587) 293-4005

Pamela P. Kazeil
Senior Vice-President, Finance & Chief Financial Officer
 PrairieSky Royalty Ltd.
 (587) 293-4089

Michael T. Murphy
Vice-President, Geosciences & Capital Markets
 PrairieSky Royalty Ltd.
 (587) 293-4056

Investor Relations
 (587) 293-4000
www.prairiesky.com