

PRAIRIESKY ANNOUNCES FIRST QUARTER 2026 RESULTS

Calgary, Alberta (April 20, 2026)

PrairieSky Royalty Ltd. ("PrairieSky" or the "Company") (TSX: PSK) is pleased to announce its first quarter operating and financial results for the three months ended March 31, 2026.

First Quarter Highlights

- Total royalty production grew 4% over Q1 2025⁽¹⁾ averaging 26,293 BOE per day in the quarter, and included a 2% increase in oil royalty production which averaged 13,733 barrels per day and a 6% increase in NGL royalty production which averaged 2,677 barrels per day.
- Earned royalty production revenue of \$118.5 million and other revenue of \$15.3 million to bring total revenues to \$133.8 million for Q1 2026⁽¹⁾. Other revenue included bonus consideration of \$12.3 million earned on entering into 48 new leasing arrangements.
- Generated funds from operations totaling \$94.9 million (\$0.41 per share), an increase of 11% from Q1 2025 driven by increased royalty production volumes and strong bonus consideration.
- Declared a first quarter dividend of \$61.6 million (\$0.265 per share), representing a dividend payout ratio of 65%.
- Purchased and cancelled 269,077 common shares under the Company's normal course issuer bid ("NCIB") for \$8.3 million, including commissions and before tax.
- Completed acquisitions for \$4.2 million, primarily of non-producing gross overriding royalty interests targeting heavy oil in the Mannville play and light oil in the Basal Quartz play.
- Net debt totaled \$257.7 million at March 31, 2026, a decrease of \$18.8 million from December 31, 2025.

Dividend Declaration

- The Board of Directors has approved the Company's second quarter 2026 dividend of \$0.265 per share which is expected to be paid on July 15, 2026 to shareholders of record on June 30, 2026.

President's Message

PrairieSky generated funds from operations of \$94.9 million (\$0.41 per share) in Q1 2026, an 11% increase over Q1 2025. Funds from operations were driven by a 4% increase in royalty production volumes and an active quarter of leasing which earned \$12.3 million. PrairieSky entered into 48 new leasing arrangements with 37 separate counterparties as oil and gas companies continue to consolidate and expand their drilling inventories.

Total royalty production averaged 26,293 BOE per day in the quarter, an increase of over 950 BOE per day as compared to Q1 2025, and generated royalty production revenue of \$118.5 million. PrairieSky's oil royalty portfolio delivered a 2% increase over Q1 2025 averaging 13,733 barrels per day with growth focused in the Clearwater and Mannville Stack heavy oil plays and the Duvernay light oil play. The Clearwater continues to reach new highs for the Company, averaging over 2,850 barrels per day in Q1 2026 and representing a compounded annual growth rate of 20% since 2022. The Duvernay light oil play delivered average royalty production of approximately 1,500 BOE per day in Q1 2026 (79% oil and liquids), an increase of 95% over Q1 2025. A record 26 Duvernay wells were spud in the quarter, including 20 in the prolific West Shale Basin⁽²⁾. This level of drilling activity is expected to drive meaningful oil production growth in the second half of 2026. Natural gas and NGL royalty volumes both increased 6% with growth primarily due to Montney natural gas drilling in the second half of 2025.

Third-party operators spud 201 wells on PrairieSky's royalty acreage during Q1 2026, in line with the 200 wells spud in Q1 2025. The average royalty rate for wells spud in the quarter was 6.0% (Q1 2025 - 6.9%). Multilateral drilling on our lands continues to be strong with an estimated 66 spuds in the quarter, up from 41 in Q1 2025, and representing 33% of new wells on our royalty properties.

PrairieSky declared a dividend of \$0.265 per share or \$61.6 million with a resulting payout ratio of 65% during Q1 2026. Funds from operations after payment of the dividend were allocated to the repurchase and cancellation of 269,077 common shares for \$8.3 million, acquisitions totaling \$4.2 million of gross overriding royalty interests,

primarily targeting light oil in the Basal Quartz and heavy oil in the Mannville, and the repayment of \$6.0 million of bank debt. At March 31, 2026, PrairieSky maintained a strong balance sheet with net debt of \$257.7 million.

It was another strong quarter as third-party operators continued to be very active across PrairieSky's land base bringing wells on production and leasing our fee lands. At current benchmark commodity pricing, we anticipate the level of activity on our land base and the growth in oil and NGL royalty production to continue. I would like to thank our staff for their hard work throughout 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 6.0%, as compared to 200 wells spud in Q1 2025 at an average royalty rate of 6.9%. Spuds were comprised of 105 wells on gross overriding royalty acreage, 81 wells on fee lands and 15 unit wells. There were a total of 177 oil wells (88% of wells) spud during the quarter which included 43 Mannville light and heavy oil wells, 35 Viking wells, 31 Clearwater wells, 20 Duvernay wells, 13 Bakken wells and 35 additional oil wells across Alberta, Saskatchewan and Manitoba. There were 24 natural gas wells spud in the quarter, including 10 Mannville wells, 6 Duvernay wells, 5 Montney wells and 3 other natural gas wells.

NORMAL COURSE ISSUER BID

PrairieSky will apply to the Toronto Stock Exchange ("TSX") to extend its NCIB for an additional one-year period. The renewal of the NCIB has been approved by the Company's board of directors; however, the NCIB, including the limit of purchases thereunder, will be subject to acceptance by the TSX and, if accepted, will be made in accordance with the applicable rules and policies of the TSX and applicable securities laws. Under the NCIB, common shares may be repurchased in open market transactions on the TSX, and/or other Canadian exchanges or alternative trading systems. The price that PrairieSky will pay for common shares in open market transactions will be the market price at the time of purchase. Common shares acquired under the NCIB will be cancelled. If approved, the NCIB is expected to commence shortly after regulatory approvals are obtained and after expiry of the current program on June 3, 2026.

PrairieSky believes renewing the NCIB as part of its capital management strategy is in the best interests of the Company and represents an attractive opportunity to use cash resources to reduce PrairieSky's share count over time and thereby enhance the value of the common shares held by remaining shareholders. Decisions regarding increases to the NCIB will be based on market conditions, share price, best use of funds from operations, and other factors including debt repayment and opportunities to expand our portfolio of royalty assets.

NOTES AND REFERENCES

- (1) In this press release, the financial reporting periods are referred to as follows: "Q1 2026", "the quarter" or the "the first quarter" refers to the three months ended March 31, 2026; "Q1 2025" refers to the three months ended March 31, 2025.
- (2) For further details on the "West Shale Basin" and "Mannville Stack", 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, 2025 which is available on SEDAR+ at www.sedarplus.ca 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 three-months ended March 31, 2026 and 2025 are available on SEDAR+ at www.sedarplus.ca and PrairieSky's website at www.prairiesky.com.

(\$ millions, except \$ per share or as otherwise noted)	Three months ended	
	March 31 2026	March 31 2025
FINANCIAL		
Royalty production revenue	118.5	119.9
Other revenue	15.3	8.2
Revenues	133.8	128.1
Funds from operations	94.9	85.8
Per share - basic and diluted ⁽¹⁾	0.41	0.36
Net earnings	55.8	58.4
Per share - basic and diluted ⁽¹⁾	0.24	0.25
Dividends declared ⁽²⁾	61.6	61.2
Per share	0.265	0.260
Dividend payout ratio ⁽³⁾	65%	71%
Acquisitions	4.2	63.6
Net debt ⁽⁴⁾	257.7	258.8
Common share repurchases, inclusive of all costs	8.5	91.8
Shares outstanding (millions)		
Shares outstanding at period end	232.4	235.5
Weighted average - basic and diluted	232.7	238.3
OPERATIONAL		
Royalty production volumes		
Crude oil (bbls/d)	13,733	13,502
NGL (bbls/d)	2,677	2,520
Natural gas (MMcf/d)	59.3	55.9
Royalty Production (BOE/d)⁽⁵⁾	26,293	25,339
Realized pricing		
Crude oil (\$/bbl)	79.50	83.16
NGL (\$/bbl)	44.74	44.51
Natural gas (\$/Mcf)	1.77	1.73
Total (\$/BOE)⁽⁵⁾	50.08	52.58
Operating netback per BOE (\$)⁽⁶⁾	42.61	42.85
Funds from operations per BOE (\$)	40.10	37.62
Oil price benchmarks		
West Texas Intermediate (WTI) (US\$/bbl)	71.93	71.39
Edmonton light sweet (\$/bbl)	93.49	95.20
Western Canadian Select (WCS) crude oil differential to WTI (US\$/bbl)	(14.16)	(12.67)
Natural gas price benchmarks		
AECO Monthly Index (\$/Mcf)	2.49	2.02
AECO Daily Index (\$/Mcf)	2.01	2.16
Foreign exchange rate (US\$/CAD\$)	0.7291	0.6976

- (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 \$0.265 per share was declared on February 9, 2026. The dividend was paid on April 15, 2026 to shareholders of record as at March 31, 2026.
(3) Dividend payout ratio is defined under the "Non-GAAP Measures and Ratios" section of this press release.
(4) See Note 13 "Capital Management" in the interim condensed consolidated financial statements for the three months ended March 31, 2026.
(5) See "Conversions of Natural Gas to BOE".
(6) 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, April 21, 2026, 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/B1186c48ad223641aaade4e53caea2bc32>

Live webcast participant registration (listen in only)

URL: <https://edge.media-server.com/mmc/p/tegit8ik>

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, statements in the message from the Company's President as well as 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 press 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 management's expectation that the record number of Duvernay wells spud in the quarter will drive meaningful oil production growth in the second half of 2026; statements regarding growth rates in the Clearwater play and expectations of any future performance; our expectation that at current benchmark pricing, the level of third-party activity on PrairieSky's royalty lands will continue to drive oil and NGL royalty production growth; strong 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 canceling common shares under the Company's NCIB, the dividend policy and the application of PrairieSky to renew the NCIB, the timing of when the NCIB will commence, the limit thereunder, and PrairieSky's belief that repurchasing such common shares under the NCIB is a good allocation of PrairieSky's capital resources and will enhance the value of the common shares held by remaining shareholders, and other statements.

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, 2025. 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. Statements relating to "reserves" are also deemed to be forward-looking as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in quantities predicted or estimated and that the reserves can be profitably produced in the future.

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, market or business 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, policy and legal risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, political and geopolitical instability and global conflicts including the ongoing conflict in Iran and broader Middle East geopolitical tensions, 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, breaches of the Company's information and technology systems and cyber-security risks, 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, 2025 under the headings "Risk Management" and "Risk Factors", respectively, each of which is available on SEDAR+ at www.sedarplus.ca 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. Accordingly, 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, and readers and investors are cautioned that such non-GAAP information should not be considered in isolation nor as an alternative to financial information determined in accordance with GAAP and may not be appropriate for any other purpose. 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.

"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, as defined in PrairieSky's MD&A) 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 6 of PrairieSky's MD&A.

(\$ millions)	Three months ended	
	March 31 2026	March 31 2025
Cash from operating activities	79.2	90.7
Other revenue	(15.3)	(8.2)
Amortization of debt issuance costs	(0.2)	(0.1)
Finance expense	3.1	2.9
Current tax expense	18.3	17.3
Net change in non-cash working capital	15.7	(4.9)
Operating netback	100.8	97.7

"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	
	March 31 2026	March 31 2025
Funds from operations	94.9	85.8
Dividends declared	61.6	61.2
Dividend payout ratio	65%	71%

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.

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