

PRAIRIESKY ANNOUNCES SECOND QUARTER 2026 RESULTS

Calgary, Alberta (July 13, 2026)

PrairieSky Royalty Ltd. ("PrairieSky" or the "Company") (TSX: PSK) is pleased to announce its second quarter operating and financial results for the three and six months ended June 30, 2026.

Second Quarter Highlights

- Total royalty production reached a record 27,479 BOE per day, up 4% over Q2 2025⁽¹⁾ driven by record average oil royalty production of 14,740 barrels per day and average NGL royalty production of 2,706 barrels per day.
- Revenues totaled \$178.0 million for Q2 2026⁽¹⁾, comprised of royalty production revenue of \$167.1 million and other revenue of \$10.9 million. Other revenue included bonus consideration of \$6.4 million earned on entering into 57 new leasing arrangements.
- Generated funds from operations totaling \$133.1 million (\$0.57 per share), an increase of 38% from Q2 2025 driven by strong US-denominated WTI benchmark pricing, increased oil royalty production volumes and strong bonus consideration.
- Declared a second quarter dividend of \$61.6 million (\$0.265 per share), representing a dividend payout ratio of 46%.
- Completed minor incremental royalty interest acquisitions for \$1.8 million, targeting light and heavy oil plays.
- Net debt decreased 28% or \$71.1 million in the quarter and totaled \$186.6 million at June 30, 2026.

Dividend Declaration

- The Board of Directors has approved the Company's third quarter 2026 dividend of \$0.265 per share which is expected to be paid on October 15, 2026 to shareholders of record on September 29, 2026.

President's Message

PrairieSky had another strong quarter delivering record average total royalty production of 27,479 BOE per day, an increase of over 1,000 BOE per day as compared to Q2 2025. During the quarter, total liquids royalty production increased 4% driven by record average oil royalty production of 14,740 barrels per day, a 3% increase over Q2 2025, and 2,706 barrels per day of NGL royalty production, a 15% increase over Q2 2025. With robust US\$ WTI benchmark pricing, which averaged \$92.80 per barrel in the quarter, PrairieSky generated total royalty production revenue of \$167.1 million and funds from operations of \$133.1 million (\$0.57 per share).

Increased liquids production over Q2 2025 was driven by the Clearwater, Mannville Stack⁽²⁾ and West Shale Basin⁽²⁾ Duvernay light oil play, our core growth plays. Clearwater heavy oil royalty production averaged over 3,050 barrels per day in the quarter, an increase of 27% over Q2 2025. Continued quarter over quarter growth in the play is due to a combination of accelerated pace of development and decline mitigation, with an estimated 60% of production supported by waterflood operations. Mannville Stack heavy oil royalty production averaged approximately 1,050 barrels per day, up 19% over Q2 2025. Continued strength in NGL royalty production volumes was a result of Montney and Duvernay activity.

Third-party operators spud 178 wells on PrairieSky's royalty acreage during Q2 2026, one of the busiest second quarters on record and an increase of 61 wells over the 117 wells spud in Q2 2025. The average royalty rate for wells spud in the quarter was 5.9% (Q2 2025 - 4.8%). The elevated drilling activity was spread across PrairieSky's core growth plays and extended into short cycle time light oil plays including the Viking, Bakken, and Southeast Saskatchewan Mississippian. Duvernay spuds primarily targeting light oil in the West Shale Basin totaled 51 through the first two quarters of 2026, compared to 55 in all of 2025. We believe recent incremental activity and the anticipated timing of high impact Duvernay completions, combined with the expected ramp up of thermal heavy oil volumes, position PrairieSky for oil royalty growth through the second half of 2026. Strong third-party activity follows multiple quarters of elevated leasing activity. In Q2 2026, leasing has continued the trend with PrairieSky entering into 57 new leasing arrangements with 46 separate counterparties and earning bonus consideration of \$6.4 million.

PrairieSky declared a dividend of \$0.265 per share or \$61.6 million representing a payout ratio of 46% during Q2 2026 and completed minor complementary acquisitions totaling \$1.8 million for incremental royalty interests targeting light oil in the Basal Quartz and heavy oil in the Clearwater and Mannville plays. Funds from operations after payment of the dividend were primarily directed toward reducing net debt. Net debt has decreased \$89.9 million or 33% during YTD 2026 and totaled \$186.6 million at June 30, 2026.

Strong WTI benchmark pricing drove funds from operations and continued third-party leasing and activity across PrairieSky's land base. Although pricing has moderated, current well licensing supports our expectation for continued third-party activity during the second half of 2026. 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 178 wells on PrairieSky's royalty acreage at an average royalty rate of 5.9%, as compared to 117 wells spud in Q2 2025 at an average royalty rate of 4.8%. Spuds were comprised of 91 wells on gross overriding royalty acreage, 81 wells on fee lands and 6 unit wells. There were a total of 168 oil wells (94% of wells) spud during the quarter which included 49 Clearwater wells, 41 Viking wells, 23 Mannville light and heavy oil wells, 22 Duvernay wells, 15 Mississippian wells and 18 additional oil wells across Alberta and Saskatchewan. There were 10 natural gas wells spud in the quarter, including 5 Mannville wells, 3 Duvernay wells and 2 Montney wells.

NOTES AND REFERENCES

- (1) In this press release, the financial reporting periods are referred to as follows: "Q2 2026", "the quarter" or the "the second quarter" refers to the three months ended June 30, 2026; "Q2 2025" refers to the three months ended June 30, 2025. "YTD 2026" refers to the six months ended June 30, 2026; "YTD 2025" refers to the six months ended June 30, 2025.
- (2) For further details on the "West Shale Basin" and "Mannville Stack", we refer you to PrairieSky's management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2026 and 2025 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 MD&A and unaudited interim condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 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			Six months ended	
	June 30 2026	March 31 2026	June 30 2025	June 30 2026	June 30 2025
FINANCIAL					
Royalty production revenue	167.1	118.5	111.2	285.6	231.1
Other revenue	10.9	15.3	12.4	26.2	20.6
Revenues	178.0	133.8	123.6	311.8	251.7
Funds from operations	133.1	94.9	96.7	228.0	182.5
Per share - basic and diluted ⁽¹⁾	0.57	0.41	0.41	0.98	0.77
Net earnings	95.4	55.8	56.3	151.2	114.7
Per share - basic and diluted ⁽¹⁾	0.41	0.24	0.24	0.65	0.48
Dividends declared ⁽²⁾	61.6	61.6	61.2	123.2	122.4
Per share	0.265	0.265	0.260	0.530	0.520
Dividend payout ratio ⁽³⁾	46%	65%	63%	54%	67%
Acquisitions	1.8	4.2	6.5	6.0	70.1
Net debt ⁽⁴⁾	186.6	257.7	242.0	186.6	242.0
Common share repurchases, inclusive of all costs	-	8.5	2.0	8.5	93.8
Shares outstanding (millions)					
Shares outstanding at period end	232.4	232.4	235.5	232.4	235.5
Weighted average - basic and diluted	232.4	232.7	235.5	232.6	236.9
OPERATIONAL					
Royalty production volumes					
Crude oil (bbls/d)	14,740	13,733	14,376	14,239	13,941
NGL (bbls/d)	2,706	2,677	2,348	2,692	2,433
Natural gas (MMcf/d)	60.2	59.3	58.4	59.7	57.1
Royalty Production (BOE/d) ⁽⁵⁾	27,479	26,293	26,457	26,881	25,891
Realized pricing					
Crude oil (\$/bbl)	109.87	79.50	73.16	95.31	77.98
NGL (\$/bbl)	55.30	44.74	35.47	50.08	40.13
Natural gas (\$/Mcf)	1.13	1.77	1.50	1.44	1.61
Total (\$/BOE) ⁽⁵⁾	66.82	50.08	46.19	58.70	49.31
Operating netback per BOE (\$) ⁽⁶⁾	62.54	42.61	43.04	52.86	42.95
Funds from operations per BOE (\$)	53.23	40.10	40.16	46.86	38.94
Oil price benchmarks					
West Texas Intermediate (WTI) (US\$/bbl)	92.80	71.93	63.76	82.36	67.59
Edmonton light sweet (\$/bbl)	132.20	93.49	84.24	112.84	89.78
Western Canadian Select (WCS) crude oil differential to WTI (US\$/bbl)	(14.66)	(14.16)	(10.27)	(14.41)	(11.47)
Natural gas price benchmarks					
AECO Monthly Index (\$/Mcf)	1.51	2.49	2.07	2.00	2.05
AECO Daily Index (\$/Mcf)	1.63	2.01	1.69	1.82	1.93
Foreign exchange rate (US\$/CAD\$)	0.7200	0.7291	0.7228	0.7245	0.7096

(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 April 20, 2026. The dividend is to be paid on July 15, 2026 to shareholders of record as at June 30, 2026.

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

(4) See Note 12 "Capital Management" in the interim condensed consolidated financial statements for the three and six months ended June 30, 2026 and 2025.

(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, July 14, 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/Blae1d2f0f9d6f4710a2279bab0aff8b70>

Live webcast participant registration (listen in only)

URL: <https://edge.media-server.com/mmc/p/g6to72im/>

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 statements regarding 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", "position", "potential" and similar expressions (including negative variations) are intended to identify forward-looking statements. Forward-looking statements contained in this press release include, but are not limited to, statements and/or our expectations with regard to PrairieSky's business, growth strategy and trajectory, our expectations regarding the anticipated timing of high impact Duvernay completions and the ramp up of anticipated thermal heavy oil volumes; potential oil royalty growth through the second half of 2026; expectations for continued active third-party drilling and leasing activity on PrairieSky's royalty lands during the second half of 2026 based on current well licensing; statements regarding growth rates in the Clearwater, Duvernay and Mannville Stack plays and expectations of any future performance; and the expected timing and payment of the third quarter 2026 dividend. 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.

With respect to forward-looking statements contained in this press release, PrairieSky has made several assumptions including but not limited to assumptions regarding commodity prices, exchange rates, royalty production volumes, third-party operator's licensing, drilling and completion plans and related capital allocation decisions, waterflood activities, the timing and performance of Duvernay completions, the timing and ramp-up of thermal heavy oil volumes, continued development activity on PrairieSky's royalty lands, leasing activity levels, dividend approval and payment processes, as well as the assumptions described in detail in PrairieSky's MD&A and Annual Information Form for the year ended December 31, 2025. Further, certain information contained in this press release relating to expected or anticipated activity, operations, development plans, well licensing, drilling, completions and production by third-party operators on PrairieSky's royalty acreage is derived from publicly available sources and other third-party information. PrairieSky has not independently verified the accuracy or completeness of such information. This information informs certain assumptions underlying the forward-looking statements contained in this press release, including assumptions regarding anticipated third-party activity, timing of well completions and expected production from PrairieSky's royalty acreage. 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 ongoing Middle East geopolitical tensions and specifically the ongoing conflict involving the United States and Iran, the risks and impacts of the United States not renewing the United States-Mexico-Canada Agreement, including the triggering of an annual review process by the United States, and actual and potential 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 licensing, drilling, and completion activity levels on PrairieSky's royalty lands, delays in or changes to third-party operator's drilling activity and development plans, the timing and performance of Duvernay completions and thermal heavy oil projects, risks that expected production growth or volumes, including waterflood recovery performance, may not materialize, risks relating to dividend declarations and payments, 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 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 disclaims any intention or 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			Six months ended	
	June 30 2026	March 31 2026	June 30 2025	June 30 2026	June 30 2025
Cash from operating activities	124.1	79.2	90.3	203.3	181.0
Other revenue	(10.9)	(15.3)	(12.4)	(26.2)	(20.6)
Other revenue - non-cash	0.1	-	-	0.1	-
Amortization of debt issuance costs	(0.2)	(0.2)	(0.1)	(0.4)	(0.2)
Finance expense	3.0	3.1	3.0	6.1	5.9
Current tax expense	31.4	18.3	16.5	49.7	33.8
Interest on lease obligation	(0.1)	-	(0.1)	(0.1)	(0.1)
Net change in non-cash working capital	9.0	15.7	6.4	24.7	1.5
Operating netback	156.4	100.8	103.6	257.2	201.3

"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			Six months ended	
	June 30 2026	March 31 2026	June 30 2025	June 30 2026	June 30 2025
Funds from operations	133.1	94.9	96.7	228.0	182.5
Dividends declared	61.6	61.6	61.2	123.2	122.4
Dividend payout ratio	46%	65%	63%	54%	67%

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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