RAZOR ENERGY CORP. ANNOUNCES FIRST QUARTER 2019 RESULTS

May 3, 2019 - Calgary, Alberta - Razor Energy Corp. ("Razor" or the "Company") (TSXV: RZE) is pleased to announce its first quarter 2019 financial and operating results. Selected financial and operational information is outlined below and should be read in conjunction with Razor's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the quarter ended March 31, 2019 which are available on SEDAR at www.sedar.com and the Company's website www.razor-energy.com.

NEAR AND MEDIUM-TERM OBJECTIVES

- Reducing operating costs, through continued investment in infrastructure and equipment, and increased efficiencies;
- Improving production efficiency through low risk, lower cost capital activities which include waterflood optimization, stimulations, recompletions, and workovers;
- Analyzing further ancillary opportunities including various power generation projects, oil blending and service integration;
- Maintaining the monthly dividend;
- Acquiring and consolidating complementary assets, while disposing of assets where and when appropriate; and
- Identifying potential merger candidates exhibiting complementary criteria.

Q1 2019 HIGHLIGHTS

OPERATING

- Production volumes in the first quarter of 2019 averaged 4,355 boe/d, unchanged from the production volumes in the same period in 2018 due to general reactivation activities offsetting production downtimes related to severe cold weather in Q1 2019 and deferred Q4 2018 maintenance. Sales volumes averaged 4,432 boe/d, up 2% from the same quarter of last year as the Company continued selling inventory from Q4 2018.
- Reported cash flows from operating activities of $4.1 million in the first quarter of 2019 compared to $5.5 million in the first quarter of 2018.
- Generated adjusted funds flow of $1.4 million in the first quarter of 2019 compared to $5.5 million in the first quarter of 2018.

CAPITAL

- Completed the acquisition of working interest positions in its Virginia Hills Unit 1, through a property swap of its non-operated working interest in Kaybob Beaverhill Lake Unit 1. This transaction increases Razor's operated working interest position in Virginia Hills Unit 1 to 100% and completely disposes its working interest in Kaybob Beaverhill Lake Unit 1.
- Invested $4.1 million on its capital program in the first quarter of 2019, comprised mainly of the purchase of additional field service equipment, and the continuation of the well reactivation program.
- Reactivated 6 gross (5.9 net) wells during the first quarter of 2019, resulting in 107 boe/d of additional production.

FINANCING

- Entered into a $1.0 million lease agreement for additional field service equipment.

DIVIDENDS

- Paid a monthly cash dividend of $0.0125 per share, for a total of $0.6 million in dividends paid in the quarter. The dividend is paid monthly and is subject to commodity prices, production levels, and other factors.

SELECT QUARTERLY HIGHLIGHTS

The following tables summarizes key financial and operating highlights associated with the Company's financial performance.

($000's, except for per share amounts and production)	Three Months Ended March 31, 2019	2018
Production		
Light Oil (bbl/d)	**2,664**	3,032
Gas (mcf/d) [1]	**3,929**	3,286
NGL (boe/d)	**1,036**	774
Total (boe/d)	**4,355**	4,353
Sales volumes [2]		
Light Oil (bbl/d)	**2,741**	3,032
Gas (mcf/d)[1]	**3,929**	3,286
NGL (bbl/d)	**1,036**	774
Total (boe/d)	**4,432**	4,353
Closing oil inventory volumes (bbls)	**28,360**	—
Revenue		
Oil and gas sales	**19,615**	22,234
Sale of commodities purchased from third parties	**6,041**	
Blending and processing income	**2,241**	2,375
Other revenue	**353**	233
Total revenue	**28,250**	24,842
Cash flows from operating activities	**4,099**	5,457
Per share -basic and diluted	**0.27**	0.35
Adjusted funds flow [3]	**1,377**	5,530
Per share -basic and diluted	**0.09**	0.35
Net income (loss)	**(9,791)**	267
Per share - basic and diluted	**(0.64)**	0.02
Dividends per share	**0.04**	—
Weighted average number of shares outstanding (basic and diluted)	**15,188,834**	15,724,934
Capital expenditures	**4,075**	14,402
Net assets acquired [4]	**88**	4,641
Netback ($/boe)		
Oil and gas sales [5]	**49.17**	56.76
Royalty	**(7.01)**	(12.70)
Operating expenses	**(34.05)**	(25.80)
Transportation and treating	**(1.96)**	(1.71)
Operating netback [3]	**6.15**	16.55
Income (loss) on sale of commodities purchased from third parties[3]	**(0.67)**	—
Net blending and processing income [3]	**3.55**	3.89
Realized loss on commodity contracts settlement	**(0.74)**	(3.88)
Other revenues	**0.88**	0.59
General and administrative	**(5.67)**	(3.03)
Interest	**(3.00)**	(2.69)
Corporate netback [3]	**0.50**	11.43

1) Gas production and sales volumes include internally consumed gas used in power generation.
2) Sales volumes include change in inventory volumes.
3) Refer to "Non-IFRS measures".
4) Net acquisitions exclude non-cash items and is net of post-closing adjustments.
5) Excludes the effects of financial risk management contracts but includes the effects of fixed price physical delivery contracts.

($000's, except for share amounts)	March 31, 2019	December 31, 2018
Total assets	**166,120**	157,937
Cash	**4,540**	2,239
Long-term debt (principal)	**46,310**	46,155
Net debt [1]	**57,213**	54,244
Number of shares outstanding	**15,188,834**	15,188,834

1) Refer to "Non-IFRS measures".

OPERATIONAL UPDATE

Sales volumes in the first quarter of 2019 averaged 4,432 boe/d, up 2% from the sales volumes in the same period in 2018 due to inventory drawdowns and general reactivation activities offsetting weather related production downtime.

Production averaged 4,355 boe/d in Q1 2019 and was unchanged from the production level in the same quarter of 2018, due to impacts from severe cold weather in Q1 2019, and from discretionary shut-ins and an absence of reactivation and workover spending in Q4 2018. Wells shut-in during Q4 2018 are being consistently brought back online as the Company's reactivation and workover program resumed in Q1 2019, focused on higher capital efficiency projects. In addition, well and facility downtimes have been remedied following challenging weather conditions in February and early March.

Effective July 2018, Razor began utilizing a portion of its own gas production in the generation of electrical power. Gas production for the three months ended March 31, 2019 includes 971 mcf/d of internally consumed gas.

Due to the unprecedented discounts on Western Canadian Light Sweet Oil ("MSW") in the fourth quarter of 2018, Razor did not sell all of its produced oil, instead it was temporarily stored in existing surface tanks thus establishing material inventory. As at March 31, 2019, Razor had 28,360 bbls of light oil inventory (December 31, 2018 - 35,267 bbls). MSW differentials and WTI pricing improved significantly in Q1 2019 and the Company intends to continue to reduce its inventory levels in Q2 2019.

Razor realized an oil price of $65.10 per barrel during the first quarter of 2019, which was an 11% discount to the WTI (CAD) down from a 44% discount in Q4 2018 mostly due to the decrease in the MSW differential to WTI, and consistent with a 12% discount in Q1 2018.

During the first quarter of 2019, the Company realized an average operating netback of $6.15/boe down 63% from the first quarter of 2018 due to the lower realized prices in addition to higher operating expenses.

Royalty rates averaged 14% in the first quarter of 2019, compared to 22% for the same period in 2018. The decrease in royalty is due to the decrease in government index oil prices in Q1 2019 over Q1 2018.

Operating expenses increased 32% in the first quarter of 2019 compared to the same period in 2018, mostly due to increased workover activity. Workovers and facility and pipeline integrity expenses averaged $7.33/boe in the first quarter of 2019 compared to $3.43/boe in the same quarter of 2018. During the first quarter of 2019, workovers consisted of production maintenance activities on 24 gross (23.2 net) wells up from 5 gross (4.6 net) workovers in Q1 2018.

The top cost drivers, fuel and electricity, labour, property taxes, and repairs and workovers, accounted for 75% of total operating expenses in the first quarter of 2019 (2018 - 72%). Electricity and fuel increased 23% in Q1 2019 from Q1 2018 mostly due to a 99% increase in electricity average pool prices offset by decreased usage directly attributable to the installation of natural gas power generation. Workovers increased 235% in Q1 2019 from Q1 2018 accounting for 18% of operating expenses in the first quarter, up from 7% in the same period last year. Similarly pipeline and facility repairs increased 43% in Q1 2019 from Q1 2018 accounting for 11% of operating expenses. These repairs and workover increases were mostly due to increased activity as a result of deferred Q4 2018 maintenance.

CAPITAL PROGRAM

In the first quarter of 2019, the Company reactivated a total of 6 gross (5.9 net) wells, resulting in 107 boe/d of net additional production, for a total of $1.6 million. Reactivation capital includes 3 (3.0 net) Virginia Hills reactivations, 1 (0.9 net) South Swan Hills Unit reactivation, 1 (1.0 net) Kaybob well reactivation and 1 (1.0 net) Carson Creek reactivation. Reactivation capital also includes capital spent on wells not yet on production in Q1 2019.

The Company invested a further $0.9 million in additional field service equipment and $0.5 million in power generation and corporate information technology infrastructure.

Razor received $2.0 million in government grants related to the clean power development and energy efficiency initiatives.

ABANDONMENT, RECLAMATION, AND REMEDIATION EXPENDITURES

Razor inherited decommissioning liabilities included in its Swan Hills and Kaybob acquisitions. As at March 31, 2019, the Company had 32 wells remaining in the IWCP that it needs to address before March 31, 2020. The Company continues to invest in end-of-life well and facility decommissioning. In Q1 2019, the Company spent $0.2 million on abandonment, reclamation, and remediation expenditures.

ABOUT RAZOR

Razor is a publicly-traded junior oil and gas development and production company headquartered in Calgary, Alberta, focused on shareholder returns through sustainable monthly dividends, production and margin growth through a combination of acquiring, enhancing, and producing oil and gas from properties primarily in Alberta. The Company is led by experienced management and a strong, committed Board of Directors, with a long term vision of growth focused on efficiency and cost control in all areas of the business.

Razor started operations in the first quarter of 2017, through an acquisition of producing assets in the Swan Hills area. In the second quarter of 2017, Razor added to its asset base with the acquisition of complementary assets in the Kaybob area. These predominantly light oil assets provide a foundation for strong shareholder return through abundant low risk operations. Razor plans to concurrently grow Swan Hills and Kaybob, and execute on similar acquisitions, using its experience to extract upside value.

Razor is a pivotal leading-edge enterprise, balancing creativity and discipline, focused on growing an enduring energy company. Razor currently trades on TSX Venture Exchange under the ticker "RZE".

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NON-IFRS MEASURES: This press release contains the terms "adjusted funds flow", "net debt", "operating netback" and "corporate netback", which do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other companies. Adjusted funds flow represents cash flow from operating activities before changes in non-cash working capital and decommissioning obligation expenditures incurred. Management uses adjusted funds flow to analyze operating performance and leverage, and considers adjusted funds flow from operating activities to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investments and repay debt. Net debt is calculated as the sum of the long-term debt and lease obligations, less working capital (or plus working capital deficiency), with working capital excluding mark-to-market risk management contracts. Razor believes that net debt is a useful supplemental measure of the total amount of current and long-term debt of the Company. Operating netback equals total petroleum and natural gas sales less royalties and operating costs calculated on a boe basis. Razor considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. Corporate netback is calculated by deducting general & administration, acquisition and transaction costs, and interest from operating netback. Razor considers corporate netback as an important measure to evaluate its overall corporate performance.

ADVISORY PRODUCTION INFORMATION: Unless otherwise indicated herein, all production information presented herein is presented on a gross basis, which is the Company's working interest prior to deduction of royalties and without including any royalty interests.

BARRELS OF OIL EQUIVALENT: The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

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